IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES EXCEPT TO PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS ("QIBS") AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NOT FOR DISTRIBUTION ELSEWHERE OR OTHERWISE THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached prospectus. In accessing the attached prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access.

CONFIRMATION OF YOUR REPRESENTATION: By accessing the attached prospectus, you shall be deemed to have represented to Citigroup Global Markets Limited, Skandinaviska Enskilda Banken AB (publ) and Carnegie Investment Bank AB (publ) (collectively, the "Managers") that (a) you consent to delivery of the attached prospectus and any amendments or supplements thereto by electronic transmission, (b) you are a person who is permitted under applicable law and regulation to receive the attached prospectus and (c) either (i) you and any customers you represent are QIBs, or (ii) (A) you are outside the United States and, to the extent you purchase the Offer Shares (as defined in the attached prospectus) described in the attached prospectus, you will be doing so pursuant to Regulation S under the Securities Act, (B) the electronic mail address to which the attached prospectus has been delivered is not located in the United States and (C) if you are resident in a Member State of the European Economic Area other than Sweden, you are a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended, and any relevant implementing measure in each Member State of the European Economic Area).

The attached prospectus has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of Alimak Group AB (publ) (the "Company"), Triton Managers II Limited, Apolus Holding AB (together with Triton Managers II Limited, the "Principal Owners"), the Selling Shareholders (as defined in the attached prospectus), the Managers, or any of their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling them accepts any liability or responsibility whatsoever in respect of any discrepancies between the prospectus distributed to you in electronic format and the hard copy version available to you on request from the Managers.

Restrictions: The attached prospectus is being furnished in connection with an offering exempt from registration under the Securities Act. Nothing in this electronic transmission constitutes an offer of securities for sale in the United States.

THE ATTACHED PROSPECTUS IS BEING PROVIDED TO YOU ON A CONFIDENTIAL BASIS FOR INFORMATIONAL USE SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF THE PURCHASE OF THE OFFER SHARES REFERRED TO THEREIN. YOU ARE NOT AUTHORIZED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED PROSPECTUS, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH PROSPECTUS IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PROSPECTUS, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE OFFER SHARES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION.

The Prospectus has not been approved by an authorised person in the United Kingdom. The Offer Shares may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Company. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to the Company.

The distribution of the attached prospectus and the offer, sale or solicitation of an offer to buy the Offer Shares is restricted by law in certain jurisdictions. The attached prospectus may not be used for, or in connection with, and does not constitute, any offer to sell or solicitation of an offer to buy the Offer Shares by anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorized or is unlawful. Persons into whose possession the attached prospectus may come are required to inform themselves about and to observe such restrictions. Further information with regard to restrictions on offers, sales and deliveries of the Offer Shares and the distribution of the attached prospectus and other offering material relating to the Offer Shares is set forth in the attached prospectus.

No action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of the Offer Shares, or possession or distribution of the prospectus or any other offering or publicity material relating to the Offer Shares, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering will be deemed to be made by the Managers or such affiliate on behalf of the Company, the Principal Owners and the Selling Shareholders in such jurisdiction.

You are reminded that the attached prospectus has been delivered to you on the basis that you are a person into whose possession the attached prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Invitation to acquire shares in Alimak Group AB (publ)

Joint Global Coordinators and Joint Bookrunners

citi

SEB

Joint Bookrunner

Carnegie

June 3, 2015

Important information to investors

In connection with the offering and the listing on Nasdaq Stockholm of the shares in Alimak Group AB (publ) (the "**Offering**"), the Company has prepared a Swedish language prospectus, which has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**"), implementing the European Parliament and Council Directive 2003/71/EC (the "**Prospectus Directive**"). Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided herein is correct or complete. This prospectus (the "**Prospectus**") is an English language translation of the Swedish language prospectus. The Prospectus has not been approved by the SFSA. The Prospectus contains certain sections specifically directed to investors outside of Sweden not included in the Swedish version and does not incorporate by reference the notes and the respective audit reports for the audited consolidated financial statements of Apolus Holding AB, as of and for the years ended December 31, 2011, 2010, 2009 and 2008, which are incorporated by reference into the Swedish language prospectus for regulatory reasons. In the event of a conflict between the versions, in addition to the aforementioned information, the Swedish version shall prevail. The Prospectus and the Offering described in the Prospectus are governed by Swedish law. Disputes arising out of the contents of the Prospectus, the Offering and related legal matters shall be settled by Swedish courts exclusively.

In the Prospectus, "**Alimak Group**", "**Alimak Group AB**", the "**Company**" or the "**Group**" refer to Alimak Group AB (publ) or the group in which Alimak Group AB (publ) is the parent company, as the context may require. The "**Principal Owners**" refer to Triton, or its indirect subsidiary Apolus Holding AB, the largest shareholder in Alimak Group AB, as the context may require. The "**Joint Bookrunners**" and the "**Managers**" refer to Citigroup Global Markets Limited ("**Citi**"), Skandinaviska Enskilda Banken AB (publ) ("**SEB**") and Carnegie Investment Bank AB (publ) ("**Carnegie**"). The "**Joint Global Coordinators**" refer to Citi and SEB. The Offering comprises up to 19,800,000 existing shares of the Company offered for sale by the Principal Owners and certain shareholder employees of the Company (as described in "*Share Capital and Ownership Structure – Ownership Structure*"), corresponding to 45.0% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the offer price range (the "**Existing Shares**"). The Principal Owners have reserved the right to increase the Offering by up to 3,930,000 additional shares, corresponding to 8.9% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the offer price range (the "**Additional Shares**"). The "**Selling Shareholders**" refers to all shareholders of the Company who will offer to sell shares in the Offering. In addition, the Principal Owners have granted the Managers an option to purchase up to 3,559,500 additional existing shares of the Company from the Principal Owners (the "**Optional Shares**") to cover potential over-allotments in connection with the Offering, corresponding to 8.1% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the offer price range (such option, the "**Over-allotment Option**"). The Existing Shares, the Additional Shares, if any are sold hereunder, and the Optional Shares, if any are sold hereunder, shall be referred to as the "**Offer Shares**". The Offering consists of: (i) a public offering to investors in Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States solely to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**"). See section "*Definitions and Glossary*" for the definitions of these and certain other terms used in the Prospectus.

No representation or warranty, express or implied, is made by the Managers as to the accuracy or completeness of any information contained in the Prospectus. In making an investment decision, investors must rely on their own assessment of the Company and the terms of this Offering, including the merits and risks involved. No person is or has been authorized to give any information or make any representation in connection with the offer or sale of the Offer Shares other than those contained in the Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Principal Owners, any of the Selling Shareholders, or the Managers and none of them accept any liability with respect to any such information or representation. The Managers are acting for the Principal Owners and the Company and no one else in relation to the Offering. The Managers will not be responsible to anyone other than the Principal Owners and the Company for providing the protections afforded to clients of the Managers nor for providing advice in relation to the Offering.

Neither the delivery of the Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. In the event of any changes to the information in the Prospectus that may affect the valuation of the Offer Shares during the period from the date of announcement to the first day of trading, such changes will be announced in accordance with the provisions of Chapter 2, Section 34 of the Trading Act, which, among other things, governs the publication of prospectus supplements.

The Offering is not directed to the general public in any country other than Sweden. The Offering is not directed to persons resident in the United States, Canada, Japan, Australia or any other jurisdiction where participation would require additional prospectus, offering memorandum, registration or other measures than those prescribed by Swedish law. The distribution of the Prospectus and the offer or sale of the Offer Shares in certain jurisdictions is restricted by law. No action has been or will be taken by the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers to permit a public offering in any jurisdiction other than Sweden. The Prospectus, application form and other documents regarding the Offering may not be distributed in or to the abovementioned countries or any other country or jurisdiction where distribution of the Offering under the Prospectus would require such measures or would otherwise violate applicable rules. Applications to acquire Offer Shares that violate such rules may be deemed invalid. Persons into whose possession the Prospectus may come are required by the Company, the Principal Owners, the Selling Shareholders and the Managers to inform themselves about and to observe such restrictions. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. The Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer. Investors agree to the foregoing by accepting delivery of the Prospectus.

Information to Investors in the United States and other jurisdictions outside of Sweden

All investors receiving the Prospectus, as part of the private placement to QIBs in the United States and the private placements to institutional investors in the rest of the world in compliance with Regulation S, are advised to carefully review the information included in the section "*Information to Investors in the United States and Other Jurisdictions Outside of Sweden".*

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state within the United States, and may be sold in the United States only to QIBs in reliance on Rule 144A, and offered and sold outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. As a condition to purchasing shares as part of the private placement to QIBs in the United States and the private placements to institutional investors in the rest of the world in compliance with Regulation S, each purchaser will be deemed to have made certain representations and warranties that will be relied upon by the Company, the Managers and others. The Company reserves the right, in its sole and absolute discretion, to reject any purchases of shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation. For a description of certain restrictions on resale or transfer, see "*Information to Investors in the United States and Other Jurisdictions Outside of Sweden — Sale and Transfer Restrictions*".

Within the European Economic Area (the "**EEA**"), the Offer Shares are not offered to the public in countries other than Sweden. In other member states of the EEA that have implemented the Prospectus Directive such an offer can only be made in accordance with exemptions in the Prospectus Directive and every relevant implementation measure (including measures implementing the directive 2010/73/EU of the European Parliament and of the Council, amending the Prospectus Directive). See "*Information to Investors in the United States and Other Jurisdictions Outside of Sweden — Notice to Prospective Investors in the European Economic Area*".

Stabilization

In connection with the Offering, SEB as the stabilizing manager (the "**Stabilizing Manager**"), or its agents, on behalf of the Managers, may engage in transactions that stabilize, maintain or otherwise affect the price of the Offer Shares for up to 30 days from the first day of trading of the Offer Shares on Nasdaq Stockholm. Specifically, the Managers may over-allot up to 15% of the aggregate number of Existing Shares and Additional Shares or effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail. Such stabilization measures may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise. The Stabilizing Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilizing Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Within one week of the end of the stabilization period, the Managers will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Offer Shares. In addition, none of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers makes any representation that they will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. See "*Legal Considerations and Supplementary Information — Stabilization*".

Forward-looking statements

The Prospectus contains various forward-looking statements and opinions that reflect the Company's current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts and events or present facts or circumstances. The words "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might" or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements and opinions. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements and opinions appear in a number of places in the Prospectus, including, without limitation, in the sections titled "*Summary*", "*Risk Factors*", *"Market Overview",* "*Business",* and "*Operational and Financial Review".* For further information, see "*Forward-Looking Statements*".

Industry and market data

In the Prospectus, the Company relies on and refers to certain economic information, information regarding its industry and information regarding the end markets in which it operates and competes. The Company has obtained this information from various third-party sources, including providers of macroeconomic and industry data. Furthermore, for the purpose of the Prospectus, the Company has commissioned and used a report prepared for it by the independent management consultancy firm Cardo Partners AS in 2015 (the "**Cardo Partners estimates, 2015**"). In addition, certain information was obtained through discussions with the Group's customers and from its own internal estimates. For further information, see *"— Market Overview*". None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers assumes responsibility for the accuracy or completeness of the industry or market data contained in the Prospectus, including information derived from the Cardo Partners estimates, 2015.

Important information about the selling of Offer Shares

Please note that the notification to the general public in Sweden of the allocation of Offer Shares will be made through the distribution of contract notes, which are expected to be distributed on June 17, 2015. Institutional investors are expected to receive notification of allotment on or about June 17, 2015 in particular order, whereupon contract notes are dispatched. After the funds for the allocated Offer Shares have been drawn by SEB, Offer Shares that have been paid for will be transferred to the securities account, service account or securities depository account designated by each respective purchaser. Due to the time required to distribute contract notes, transfer funds and transfer Offer Shares to purchasers, the acquired Offer Shares will not be available to purchasers in their designated securities accounts, service accounts or securities depository accounts until on or about June 22, 2015. Trading in the Offer Shares on Nasdaq Stockholm is expected to commence on or about June 17, 2015. The fact that the Offer Shares will not be available on the purchaser's securities account, service account or securities depository account before June 22, 2015 means that the purchaser may not be able to sell the Offer Shares on Nasdaq Stockholm from the day that trading in the Offer Shares commences, but only from the day the Offer Shares are available in the securities account, service account or securities depository account. Purchasers may receive notification of allocation from 09:00 CET on June 17, 2015 from SEB. See also section "*Terms, Conditions and Instructions*".

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INDICATIVE TIMETABLE

Application period for public offering in Sweden	June 5 – June 15, 2015
Application period for institutional offering	June 5 – June 16, 2015
Pricing	June 16, 2015
Publication of final Offer Price and final number of Offer Shares sold in the Offering by press release	June 17, 2015
First day of trading on Nasdaq Stockholm	June 17, 2015
Settlement date	June 22, 2015
Last day for the exercise of the Over-allotment Option	July 22, 2015

MISCELLANEOUS

Short name (ticker) on Nasdaq Stockholm	ALIG
ISIN code	SE0007158910

FINANCIAL CALENDAR

Interim report for January 1 – March 31, 2015	April 29, 2015
Annual shareholders' meeting 2015	May 11, 2015
Interim report for January 1 – June 30, 2015	August 17, 2015
Interim report for January 1 – September 30, 2015	October 28, 2015

SUMMARY OF THE OFFERING

Number of shares offered

The Offering comprises up to 19,800,000 Existing Shares offered by the Principal Owners and certain shareholder employees of the Company. The Principal Owners have reserved the right to increase the Offering by up to 3,930,000 Additional Shares.

To cover possible over-allotment in connection with the Offering, the Principal Owners have also granted the Managers an option to purchase up to 3,559,500 Optional Shares of the Company from the Principal Owners at the Offer Price.

Offer Price

The price in the Offering ("**Offer Price**") is expected to be determined within the range of SEK 80-95 per Offer Share (the "**Offer Price Range**"). The Offer Price will be determined through a book-building process. The Offer Price is expected to be announced through a press release on or about June 17, 2015.

SUMMARY

The summary is drawn up in accordance with information requirements in the form of a number of "paragraphs". The paragraphs are numbered in sections A-E (A.1-E.7). This summary contains all the paragraphs required in a summary for the relevant type of security, issuer and offeror. However, as certain paragraphs are not required, there may be gaps in paragraph numbering sequences. Even if it is necessary to include a paragraph in the summary for the security, issuer and offeror in question, it is possible that no relevant information can be provided for that paragraph. In such instances, the information has been replaced by a brief description of the paragraph, along with the specification "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	*Introduction and warnings*	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	*Consent for use of the Prospectus by financial intermediaries*	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

SECTION B – ISSUER		
B.1	*Company and trading name*	Alimak Group AB (publ), reg. no. 556714-1857.
B.2	*Issuer's registered office and corporate form*	The Company's registered office is in Stockholm, Sweden. The Company is a Swedish public limited liability company incorporated on September 27, 2006 in Sweden under Swedish law and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act of 2005 (Sw. *aktiebolagslag (2005:551)*).
B.3	*Description of the issuer's operations*	Alimak Group is a leading global industrial group designing, developing, manufacturing, distributing and servicing elevators and hoists based on rack-and-pinion and traction technologies for industrial and construction applications across a wide range of end markets, including construction, oil and gas, ports and shipyards, power and cement. The Group's operations are organized in four business areas: Industrial Equipment, After Sales, Construction Equipment and Rental. The Group operates in the premium and mid-market segments in mature and emerging markets, with its business model focused on providing tailored and comprehensive solutions to meet the various vertical access needs of its customers across different industries and geographies.

SECTION B – ISSUER		
		The Group is headquartered in Stockholm, Sweden. The Group has production facilities in Sweden and China and, as of March 31, 2015, it had 22 wholly owned sales and service offices in 16 countries, including the United States, Sweden, China, India, Australia, Singapore and Brazil, and more than 55 third-party distributors in more than 40 countries.
B.4a	*Trends influencing the issuer and the industries in which it is active*	The demand for the Group's products and services is closely linked to demand within the end markets in which the Group's products are ultimately used, such as the construction, oil and gas, ports and shipyards, power and cement industries. Demand for the Industrial Equipment business area's products and its After Sales business area's services, is sensitive to actual or anticipated economic conditions and the associated levels of investment within the Industrial Equipment business area's end markets, specifically oil and gas, ports and shipyards, as well as power and cement. The levels of investment within the Industrial Equipment business area's end markets represent a function of a number of macro-economic factors such as economic growth, prices of fuel, industrial production levels and interest rates. The Construction Equipment and Rental business areas serve the construction industry, which is strongly affected by the general economic climate and investment levels, which, in turn, can be affected by a number of factors, including interest rates, deflation, political uncertainty, taxation, unemployment, gross domestic product ("**GDP**") growth and other factors that influence economic confidence. The Group believes that certain key macro trends within mature and emerging markets are particularly relevant for its development. The first key macro trend is urbanization and mechanization, driving the demand for construction and industrial elevators. The second key macro trend is the increase in global trade and energy consumption, with stifled mid-term demand in construction end markets. The third key macro trend is the growth in national health, safety and environmental regulations.
B.5	*Description of the Group and the issuer's position within the Group*	As of the date of the Prospectus, the Group comprises the parent company Alimak Group AB (publ) and 27 directly and indirectly owned subsidiaries.
B.6	*Major shareholders, control over the issuer and notifiable individuals, larger shareholders and control*	As of the date of the Prospectus, the Company had 26 shareholders, with the Company's largest shareholder, Apolus Holding AB, holding 28,690,365 shares in the Company, corresponding to 86.9% of the shares and votes. As of the date of the Prospectus, there were no other natural or legal persons who held 5% or more of the shares or votes in the Company.

		Peder Pråhl, Lannebo Fonder AB and Swedbank Robur Fonder AB (on behalf of its investment funds) (the "**Cornerstone Investors**") have agreed to, in aggregate, acquire at the final Offer Price a number of Offer Shares as set out below: • Peder Pråhl, the founder of Triton, has agreed to acquire (directly or through a controlled entity) in the Offering 5.95% of the total number of the Offer Shares sold by the Principal Owners, in order to maintain his existing indirect economic interest in the Company; • Lannebo Fonder AB has agreed to acquire a number of shares equal to 7.0% of the total number of shares in the Company after the Offering (calculated after full dilution); and • Swedbank Robur Fonder AB (on behalf of its investment funds) has agreed to acquire a number of shares equal to 5.0% of the total number of shares in the Company after the Offering (calculated after full dilution). Each Cornerstone Investor's commitment is subject to, among other things: (i) completed listing of the Offer Shares such that the first day of trading in the Company's shares occurs no later than June 30, 2015; (ii) the Offer Price not exceeding SEK 95 (i.e., the high-end of the Price Range); (iii) the Company achieving a free float of at least 40% of the Company's share capital following the Offering (calculated after full dilution) and (iv) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment. Apolus Holding AB will immediately prior to the Offering hold 39,665,736 shares in the Company, corresponding to 90.2% of the shares and votes, assuming that all outstanding shareholder loans held by Apolus Holding AB will be off-set against shares in the Company at a subscription price equal to the midpoint of the Offer Price Range (i.e., SEK 87.5 per share) on June 17, 2015. Assuming that Apolus Holding AB will hold 39,665,736 shares in the Company immediately prior to the Offering, after the Offering, the Principal Owners, indirectly through Apolus Holding AB, will own 46.5% of the shares in the Company assuming that the size of the Offering is not increased and the Over-allotment Option is not exercised, 37.5% assuming that the size of the Offering is increased in full and the Over-allotment Option is not exercised and 29.4% assuming that the size of the Offering is increased in full and the Over-allotment Option is exercised in full. Following the completion of the Offering, the Principal Owners will continue to hold approximately 29.4 – 46.5% of the shares in the Company, depending on if the Offering is fully subscribed, if the Over-allotment Option is exercised in full and if the Offering is increased in full.[1]

1 All of the information above is based on a price in Offering corresponding to the midpoint of the Offer Price Range (as defined below).

SECTION B – ISSUER		
B.7	*Financial information in summary*	For the period between the years ended December 31, 2011, 2012 and 2013, the Group presented audited consolidated financial statements at the level of Kamila Holding AB, a holding company and a wholly owned subsidiary of the Company. Audited consolidated financial statements have been presented on the Company level as of and for the years ended December 31, 2014 and 2013, which statements include the unaudited consolidated financial statements of the Company as of and for the year ended December 31, 2012 as comparative information. Reviewed, but unaudited interim consolidated financial statements have been presented on the Company level as of and for the three months ended March 31, 2015 and 2014. In order to provide a meaningful comparison for the period under review, financial information presented in the Prospectus has been derived from the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, prepared in accordance with International Accounting Standard 34 ("**IAS 34**"), the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012, prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), and the audited consolidated financial statements of the Company as of and for the year ended December 31, 2014 and 2013, prepared in accordance with the IFRS. The consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012 differ from those that have been prepared by the Company, mainly due to shareholder loans provided by Apolus Holding AB to the Company, which amounted to SEK 835.3 million as of December 31, 2013 and SEK 759.4 million as of December 31, 2012. The shareholder loans result in material differences in financial expenses (SEK 76.0 million as of December 31, 2013), deferred tax receivables (SEK 66.0 million as of December 31, 2013), total equity (SEK 508.0 million as of December 31, 2013) and total liabilities (SEK 557.2 million as of December 31, 2013).

SECTION B – ISSUER

Income statement in summary

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Revenue	462.3	343.3	1,742.5	1,517.1	1,517.1	1,498.3
Cost of goods sold	(274.6)	(196.8)	(1,000.7)	(858.9)	(858.9)	(871.9)
Gross profit/loss	**187.7**	**146.5**	**741.8**	**658.3**	**658.3**	**626.4**
Selling expenses	(60.9)	(51.3)	(235.1)	(199.4)	(199.4)	(195.9)
Administrative expenses	(45.6)	(35.3)	(184.3)	(152.0)	(152.0)	(255.8)
Development costs	(9.2)	(9.2)	(34.7)	(39.6)	(39.6)	(37.3)
Operating profit/(loss) (EBIT)	**72.0**	**50.7**	**287.7**	**267.3**	**267.3**	**137.5**
Profit/loss from financial investments						
Financial income	8.4	7.1	28.7	15.9	15.9	6.2
Financial expenses	(73.0)	(42.1)	(224.6)	(164.3)	(88.3)	(77.8)
Profit/loss before tax	**7.4**	**15.7**	**91.7**	**118.9**	**194.9**	**65.9**
Tax	(2.7)	(7.9)	(45.2)	(39.9)	(56.6)	(30.1)
Profit/loss for the year	**4.7**	**7.8**	**46.5**	**79.0**	**138.3**	**35.7**

Balance sheet in summary

	As of March 31		As of December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
ASSETS						
Intangible assets	1,717.0	1,554.4	1,703.7	1,554.6	1,554.6	1,563.2
Tangible assets	278.8	256.8	276.6	260.8	260.8	280.0
Other assets	125.3	102.7	104.2	93.8	41.4	69.0
Total fixed assets	**2,121.0**	**1,913.9**	**2,084.4**	**1,909.1**	**1,856.8**	**1,912.3**
Inventories etc.	380.3	286.3	313.0	251.7	251.7	247.4
Current receivables	495.1	352.8	471.9	383.1	387.4	333.4
Cash and cash equivalents	376.5	214.4	384.7	189.9	188.8	191.4
Total current assets	**1,251.8**	**853.6**	**1,169.6**	**824.7**	**827.8**	**772.2**
TOTAL ASSETS	**3,372.9**	**2,767.5**	**3,254.0**	**2,733.8**	**2,684.6**	**2,684.4**
EQUITY AND LIABILITIES						
Total equity	914.2	685.8	864.2	673.4	1,181.4	1,059.7(1)
Long-term liabilities	1,801.0	1,666.7	1,760.8	1,631.0	809.5	924.9(1)
Current liabilities	657.7	415.0	628.9	429.4	693.7	699.8
TOTAL EQUITY AND LIABILITIES	**3,372.9**	**2,767.5**	**3,254.0**	**2,733.8**	**2,684.6**	**2,684.4**

(1) As adjusted to reflect retrospective changes under the International Accounting Standard 19 ("**IAS 19**").

SECTION B – ISSUER

Cash flow statement in summary

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Cash flow from operating activities before change in working capital	70.0	51.8	297.0	181.2	181.2	210.2
Cash flow from operating activities	12.9	67.5	309.5	107.7	107.7	244.2
Cash flow from investing activities	(9.8)	(7.5)	(121.2)	(32.0)	(32.0)	8.4
Cash flow from financing activities	(24.1)	(32.2)	(18.2)	(73.3)	(73.3)	(214.0)
Cash and cash equivalents at end of the period	**376.5**	**214.4**	**384.7**	**189.9**	**188.8**	**191.4**

Key information and data

	As of and for the three months ended March 31		As of and for the year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Gross profit margin(1) (in %)	40.6	42.7	42.6	43.4	43.4	41.8
Operating profit (EBIT) margin(2) (in %)	15.6	14.8	16.5	17.6	17.6	9.2
Net capital expenditure(3)	10.0	7.5	59.2	35.4	35.4	1.7
Net working capital(4)	522.8	370.8	458.0	401.6	401.6	329.3
Operating cash flow(5)	10.2	85.8	220.6	209.2	209.2	n.a.
Cash conversion(6) (in %)	n.a.	n.a.	65.6	66.0	66.0	n.a.
ROCE(7) (in %)	13.4	n.a.	12.7*	12.2*	n.a.	n.a.
ROCE excluding goodwill(8) (in %)	46.4	n.a.	45.1*	41.8*	n.a.	n.a.

(1) Gross profit margin is defined as the ratio of gross profit and revenue.

(2) Operating profit (EBIT) margin is defined as the ratio of operating profit and revenue.

(3) Net capital expenditure is defined as the sum of new acquisitions in tangible assets, consisting of land and buildings, plant and machinery, inventories and tools and equipment for lease, and new acquisitions in intangible assets, consisting of capitalized expenditure for development and similar work, and trademarks, less proceeds from disposal of tangible assets.

(4) Net working capital is defined as the sum of inventories and accounts receivable – trade less accounts payable – trade and advance payments from customers.

(5) Operating cash flow is defined as the sum of EBITDA and change in net working capital less net capital expenditure. EBITDA is defined as operating profit (EBIT) for the period before depreciation and amortization.

(6) Cash conversion is defined as the ratio of operating cash flow and EBITDA.

(7) Return on capital employed (ROCE) is defined as the ratio of operating profit (EBIT) and average capital employed over the last twelve month (LTM) period. ROCE calculation for the year ended December 31, 2014 is based on operating profit (EBIT) and average capital employed as of and for the years ended December 31, 2014 and 2013, as derived from the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013. ROCE calculation for the year ended December 31, 2013 is based on operating profit (EBIT) and capital employed as of and for the year ended December 31, 2013, as derived from the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013. In order to provide a meaningful comparison, ROCE calculation for the three months ended March 31, 2015 and 2014 is based on operating profit (EBIT) for the last twelve months (LTM), respectively, and average capital employed for the three months ended March 31, 2015 and 2014, as derived from the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014. Capital employed is defined as the sum of total equity, shareholder loans and net debt. Net debt is defined as the sum of long-term and short-term interest bearing liabilities less cash at the end of the period.

(8) ROCE excluding goodwill is defined as the ratio of operating profit (EBIT) and average capital employed for the last twelve month (LTM) period less goodwill.

* ROCE calculation for the year ended December 31, 2013 is based on operating profit (EBIT) and capital employed, as of and for the year ended December 31, 2013. To provide a meaningful comparison, ROCE calculation for the year ended December 31, 2014, is based on operating profit (EBIT) and capital employed, as of and for the year ended December 31, 2014, would amount to 12.3%, and 45.1% excluding goodwill.

Other financial data

	Three months ended March 31		Year ended December 31			
	(SEK in millions) (unaudited)					
	2015	**2014**	**2014**	**2013**	**2013**	**2012**
Order intake[(1)]	535.8	435.9	1,789.7	1,561.0	1,561.0	1,584.7

(1) Represents unaudited financial information. This measure is presented in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, however it is not presented in the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 and the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012.

Order intake is defined as total value of customer orders during a specific period. An order is defined as a confirmed purchase order from a customer, when the order is signed by the customer. To be included in order intake, the order should not contain any material contingencies, which allow the customer to cancel the order at any time and at no cost. Some orders have the character of being frame agreements, where a total estimated frame amount is agreed, but there is no binding agreement for the customer to purchase for the whole agreed amount. In this case, the total agreed amount is not booked as order intake, but instead the value is booked as order intake when the customer places orders under the frame agreement.

		Significant events since March 31, 2015 In May 2015, the Company entered into a frame agreement with Statoil for provision of industrial traction elevators to the Johan Sverdrup development. Pursuant to this agreement, the Company received a NOK 148 million order for deliveries scheduled during 2016 and 2017. The frame agreement also includes options for additional orders for other Statoil developments. On May 11, 2015, the Board of Directors of the Company (the "**Board of Directors**") resolved to apply for listing of the Company's shares on Nasdaq Stockholm. On the same date, the annual general meeting of shareholders resolved to carry out a share split (33:1) and a bonus issue without issuance of any new shares whereby the Company's share capital was increased to SEK 660,000. On the same annual general meeting, the Company's articles of association were amended to convert the Company into a public company and to enable affiliation with Euroclear Sweden AB. On June 17, 2015, the extraordinary shareholders' meeting of the Company is expected to resolve to issue 10,975,371 shares to set off the shareholder loans held by Apolus Holding AB, conditional upon the listing being completed, and assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. The set-off issue will be completed at a subscription price per share corresponding to the Offer Price.
	Significant changes to the issuer's financial condition and operating results	The following represent significant changes in the Company's financial condition and its operating results, as defined by revenue, order intake and operating profit (EBIT) for the periods under review: **Three months ended March 31, 2015 compared with the three months ended March 31, 2014** The Group's revenue increased by SEK 119.0 million, or 34.7%, to SEK 462.3 million in the three months ended March 31, 2015 from SEK 343.3 million in the three months ended March 31, 2014. This increase was primarily due to increased revenues in the Construction Equipment, After Sales and Rental business areas. Excluding currency effects, revenue growth was 19% with the acquired Heis-Tek business contributing 7 percentage points to the increase. The Group's order intake increased by SEK 99.9 million, or 22.9%, to SEK 535.8 million in the three months ended March 31, 2015 from SEK 435.9 million in the three months ended March 31, 2014. Excluding currency effects order intake increased by 6% during the period, which was attributable to the Heis-Tek acquisition. In the three months ended March 31, 2015, 35.7% of the Company's revenue was derived from the After Sales business area, 27.4% was derived from the Construction Equipment business area, 21.5% was derived from the Industrial Equipment business area and 15.4% was derived from the Rental business area.

Operating profit (EBIT) increased by SEK 21.3 million, or 42.0%, to SEK 72.0 million in the three months ended March 31, 2015 from SEK 50.7 million in the three months ended March 31, 2014. Excluding currency effects and items affecting comparability arising from restructuring projects in 2014 and the Offering costs, operating profit (EBIT) amounted to SEK 70.7 million in the three months ended March 31, 2015 and SEK 51.5 million in the three months ended March 31, 2014, amounting to an increase of SEK 19.2 million or 37.3%.

Year ended December 31, 2014 compared with the year ended December 31, 2013

Revenue increased by SEK 225.3 million, or 14.9%, to SEK 1,742.5 million in the year ended December 31, 2014 from SEK 1,517.1 million in the year ended December 31, 2013. This increase was primarily attributable to partly recovering construction market, which increased revenues for the Group's Construction Equipment and After Sales business areas. The increase was also driven by positive foreign exchange translation effects and the acquisition of Heis-Tek, which respectively amounted to 3.8 and 3.8 percentage points of the overall 14.9% increase.

In the year ended December 31, 2014, 33.6% of the Company's revenue was derived from the After Sales business area, 19.1% was derived from the Construction Equipment business area, 31.3% was derived from the Industrial Equipment business area and 16.0% was derived from the Rental business area.

Operating profit (EBIT) increased by SEK 20.4 million, or 7.6%, to SEK 287.7 million in the year ended December 31, 2014 from SEK 267.3 million in the year ended December 31, 2013. Excluding non-recurring items of SEK 29.2 million that the Group incurred in 2014, the operating profit (EBIT) would have increased by SEK 49.6 million, or 18.6%, to SEK 316.9 million in the year ended December 31, 2014 from SEK 267.3 million in the year ended December 31, 2013.

Year ended December 31, 2013 compared with the year ended December 31, 2012

Revenue increased by SEK 18.8 million, or 1.3%, to SEK 1,517.1 million in the year ended December 31, 2013 from SEK 1,498.3 million in the year ended December 31, 2012. This increase was partially driven by increased revenues from the Industrial Equipment and After Sales business areas, which was driven by the strong order intake of 2012 and 2011. This trend was partly offset by decreases in revenues from the Construction Equipment and Rental business areas, which was driven by a weak construction market across all mature markets. The foreign exchange translation effects also offset the revenue growth by 3.2%.

In the year ended December 31, 2013, 32.5% of the Company's revenue was derived from the After Sales business area, 16.0% was derived from the Construction Equipment business area, 32.7% was derived from the Industrial Equipment business area and 18.8% was derived from the Rental business area.

SECTION B – ISSUER		
		Operating profit (EBIT) increased by SEK 129.8 million, or 94.4%, to SEK 267.3 million in the year ended December 31, 2013 from SEK 137.5 million in the year ended December 31, 2012. Excluding non-recurring items that the Group incurred in 2012 and 2013, the operating profit (EBIT) would have increased by SEK 27.0 million, or 10.9%, to SEK 275.2 million in the year ended December 31, 2013 from SEK 248.2 million in the year ended December 31, 2012.
B.8	*Selected pro forma financial information*	Not applicable. The Prospectus does not contain any pro forma financial information.
B.9	*Profit forecast*	Not applicable. The Company has not presented any profit forecast.
B.10	*Audit remarks*	Not applicable. There are no remarks in the audit reports.
B.11	*Insufficient working capital*	Not applicable. The Company believes that its existing available working capital is sufficient to meet the Company's needs over the next 12 months.

SECTION C – SECURITIES		
C.1	*Securities offered*	Shares in Alimak Group AB (publ). ISIN number SE0007158910.
C.2	*Denomination*	The shares are denominated in Swedish kronor.
C.3	*Total number of shares in the issuer*	As of the date of the Prospectus, the Company's share capital amounts to SEK 660,000, represented by 33,000,000 shares in the Company. The quota value per share is SEK 0.02. All issued shares have been fully paid for. Immediately prior to the Offering, the Company's share capital will amount to SEK 915,784.82, represented by 43,975,371 shares in the Company, each with a quota value per share of SEK 0.02, assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015.
C.4	*Rights associated with the securities*	Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The shares carry the right to payment of dividend for the first time on the record date for dividend distribution that falls immediately after the listing. All shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.
C.5	*Restrictions in free transferability*	Not applicable. The Company's shares are not subject to any restrictions on transferability.

SECTION C – SECURITIES		
C.6	*Admission for trading*	Nasdaq Stockholm's listing committee decided on May 21, 2015 to admit the Company's shares to trading on Nasdaq Stockholm, subject to customary conditions, such as that the distribution requirements in respect of the Company's shares being fulfilled not later than on the first day of trading. Trading in the Company's shares is expected to begin on or about June 17, 2015.
C.7	*Dividend policy*	The Company has adopted a dividend policy, according to which it aims to pay approximately 50% of the Company's annual net profit in dividends. However, any dividend decision will be dependent upon the Company's financial condition, cash flow, acquisition opportunities, strategic considerations and future prospects.

SECTION D – RISKS		
D.1	*Main risks related to the issuer or the industry*	The Company's business and industry are subject to certain risks which are completely or partly outside the control of the Company and which could affect its business, financial condition and results of operations. Described below, in no particular order and without claim to be exhaustive, are some of the risk factors and significant circumstances considered to be material to the Company's future development. The main risks related to the Company's business and industry include: • The Group's business is subject to risks associated with weak or unstable global economic and financial market conditions and the cyclical nature of certain of the Group's end markets; • Strong competition, changes in competitive landscape or oversupply in the markets in which the Group operates could reduce the Group's sales or market share, or put continued pressure on its sales prices; • The Group's strategy to increase market share in mature and emerging markets by focusing on mid-market products may fail or not produce the desired results; • The Group's strategic efforts within its After Sales business area may prove unsuccessful, in part due to the Group's inability to penetrate a larger share of its installed base or competition from third-party dealers; • Any production disruptions or damages to the Group's production facilities could harm the Group's ability to effectively operate its business, increase its expenses and harm its reputation; • The Group is subject to risks associated with increases in the prices of certain production components, including steel based parts, drive units, electronics and cables;

SECTION D – RISKS		
		• The Group may be adversely affected by its suppliers being unable to deliver certain components as agreed or delivering certain components of inferior quality, facing financial, legal or operational problems or increasing prices; • The Group's products are sold directly and through third-party distributors and the failure to maintain relationships with its existing distributors, attract additional distributors or effectively manage its distributors could have a material adverse effect on the Group's business, financial condition and results of operations; • The Group is subject to credit risks arising from its dealings with customers or financial counterparties; • The Group is subject to product liability exposure, which could harm its reputation and could have a material adverse effect on its business, financial condition and results of operations; • The Group is subject to litigation risks, which could have a material adverse effect on its business, financial condition and results of operations; • The Group's licenses, permits, authorizations or third-party certifications may be suspended, amended, terminated or revoked prior to their expiration, and the Group may be unable to obtain or maintain various other permits or authorizations; • The Group is exposed to fluctuations in foreign exchange rates; and • The Group is exposed to risks related to the legal system in China as well as political and economic policies of the Chinese government.
D.3	*Main risks related to the securities*	Any investment in securities involves risks. Any such risks could also cause the trading price of the Company's shares to decline significantly and investors could potentially lose all or part of their investment. Risks related to the Company's shares include: • The Principal Owners will retain a significant interest in and will continue to exert substantial influence over the Group following the Offering and their interests may differ from or conflict with those of other shareholders; • Future sales, or the possibility for future sales, including by the Principal Owners, of substantial numbers of the Company's shares could affect the Offer Shares' market price; • There is no existing market for the Offer Shares and an active trading market for the Offer Shares may not develop or be sustained; • The Offering may not be completed for various reasons; • Future issuances of shares or other securities in the Group may dilute the holdings of shareholders and could affect the price of the Offer Shares;

SECTION D – RISKS		
		• The Offer Shares may be subject to market price volatility and the market price of the Offer Shares may decline disproportionately in response to developments that are unrelated to the Group's operating performance; • Cornerstone Investors may not fulfil their undertakings; and • The Company's ability to pay dividends in the future may be constrained and depends on several factors.

SECTION E – OFFERING		
E.1	*Issue proceeds and issue costs*	No shares or securities are being issued or offered by the Company in the Offering, and accordingly, the Company will not receive any proceeds from the Offering. The Company's costs associated with the listing on Nasdaq Stockholm and the Offering are expected to amount to approximately SEK 40.0 million, of which SEK 10.4 million has been booked as administrative expenses to the result for 2014 and the remaining approximately SEK 29.6 million will be booked as administrative expenses to the result for 2015. Such costs are mainly related to costs for auditors, legal advisors, translation and printing of the Prospectus as well as costs related to the marketing of the Offering.
E.2a	*Reason for the Offering and use of proceeds*	After many years under private ownership, the Company's shareholders and the Board of Directors believe that it is now an appropriate time to broaden the Company's shareholder base and to an apply for the listing of the Company's shares on Nasdaq Stockholm. The Company expects to benefit from access to the Swedish and international capital markets as a result of the listing and expects that the listing of the Offer Shares on Nasdaq Stockholm will increase the public profile of the Company and its business. The Company believes that both of these factors will further enhance its position in the global market and provide the appropriate platform for its future development. For these reasons, the Board of Directors seeks a listing of the Company's shares on Nasdaq Stockholm. The Company will not receive any portion of the proceeds from the sale of the Offer Shares in the Offering.
E.3	*Offering terms and conditions*	The Offering comprises up to 19,800,000 Existing Shares offered for sale by the Principal Owners and certain shareholder employees of the Company, representing 45.0% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range, and is divided into two parts: • An offering to the general public in Sweden[1] • An offering to institutional investors in Sweden and internationally[2]

1 The offering to the general public refers to the offer of the Offer Shares to private individuals and legal entities who subscribe for a maximum of 10,000 Offer Shares.

2 The offering to institutional investors refers to the offer of the Offer Shares to private individuals and legal entities who subscribe for more than 10,000 Offer Shares.

SECTION E – OFFERING		
		The outcome of the Offering will be published through a press release on or about June 17, 2015. At the discretion of the Principal Owners, the total number of the Existing Shares sold by the Principal Owners in the Offering may be increased by up to 3,930,000 Additional Shares. The Principal Owners have granted the Managers an option, exercisable within 30 calendar days after the first day of trading in the Company's shares on Nasdaq Stockholm, which is expected to occur on June 17, 2015, pursuant to which the Managers may require the Principal Owners to sell up to 3,559,500 Optional Shares, corresponding to 15% of the aggregate number of Existing Shares and Additional Shares, assuming that the Offering is increased in full, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range. To achieve market-based pricing of the Offer Shares in the Offering, institutional investors will be afforded the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process is expected to take place during June 5 – June 16, 2015. The Offer Price will be determined through this process. The Offer Price Range is expected to be set within the range of SEK 80-95 per Offer Share and has been set by the Principal Owners in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors. However, the Offer Price to the general public will not exceed SEK 95 per Offer Share Applications for acquisition of Offer Shares within the terms of the Offering to the general public should be made during the period June 5 – June 15, 2015 and relate to a minimum of 100 Offer Shares and a maximum of 10,000 Offer Shares in even lots of 50 Offer Shares each. Application can be made through SEB's internet bank or by using the special application form that can be obtained at SEB's offices or can be ordered from Alimak Group AB or from Avanza. Application forms are available on Alimak Group AB's website (www.alimakgroup.com) and SEB's website specially arranged for prospectuses (www.sebgroup.com/prospectus). The application must have been received by SEB no later than June 15, 2015, by 17.00 (CET). Applicants applying to acquire Offer Shares must have a securities account, a service account, a securities depository account with a securities institution of their choice or an investment savings account with SEB The balance on the bank account with SEB or the securities depository account or the investment savings account with SEB stated on the application form must correspond to not less than the amount referred to in the application, calculated on the basis of the maximum price in the Offer Price Range, for the period from 00:00 CET on June 16, 2015 until 24:00 CET on June 22, 2015. Accordingly, the funds must be available in or deposited in the specified bank account, securities depository account or investment savings account no later than on June 15, 2015 to ensure that the necessary amount is available in the stated bank account, securities depository account or investment savings account.

SECTION E – OFFERING		
		Securities depository account and internet customers of Avanza should apply via Avanza's internet service. Instructions are available on www.avanza.se. Applications via Avanza's internet service can be made from June 5, 2015 until on June 15, 2015 at 17:00 CET. Institutional investors in Sweden and internationally are afforded the right to participate in a book-building process from June 5, 2015 to June 16, 2015. Applications from institutional investors in Sweden and internationally shall be submitted to SEB Equities (+46 (0)8 522 295 00), Citi (in accordance with specific instructions), or Carnegie (in accordance with specific instructions). Decision on allotment of Offer Shares is made by the Principal Owners in consultation with the Joint Global Coordinators, whereby the goal is to achieve a good institutional ownership base and a broad distribution of Offer Shares among the general public in Sweden, in order to facilitate a regular and liquid trading in the Offer Shares on Nasdaq Stockholm. In the event of oversubscription, allotment may take place with a lower number of Offer Shares than the application concerns, at which allotment may wholly or partly be made by random selection. Allotment to those persons receiving Offer Shares will occur, in the first place, so that a certain number of Offer Shares is allotted per application. In addition thereto, allotment takes place with a certain (the same for all) percentage share of the excess number of Offer Shares that the application concerns and will only take place in even lots of 50 Offer Shares. Allotment among institutions that have submitted expressions of interest will be made on a wholly discretionary basis. However, the Cornerstone Investors, having undertaken to acquire Offer Shares, will be given priority in relation to other investors up to the full amount of Offer Shares which they have undertaken to acquire. Allotment is expected to take place on or about June 17, 2015. Payment will be deducted from the bank account stated on the application form on or about June 18 2015 and from the specified securities depository account and from the investment savings account, respectively, on or about June 22, 2015. Securities depository account customers with Avanza are expected to have their allocated, but not paid, Offer Shares available on their securities depository account on June 17, 2015. Liquid funds for payment of allotted Offer Shares shall be available in the account from June 15, 2015 at 17:00 CET up until and including the settlement date on June 22, 2015 at 23:59 CET. Institutional investors are expected to receive information regarding allotment in a particular order about June 17 2015, after which contract notes will be distributed. Full payment for allotted Offer Shares shall be made in cash no later than June 22, 2015.

SECTION E – OFFERING		
		Registration with Euroclear Sweden AB of allotted and paid-up Offer Shares is expected to take place on or about June 22 2015 for both institutional investors and the general public, after which Euroclear Sweden will distribute a notice stating the number of Offer Shares in Alimak Group AB that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the respective nominee. The final outcome of the Offering will be announced through a press release which will be available on Alimak Group AB's website, www.alimakgroup.com, on or about June 17, 2015.
E.4	*Interests and conflict of interests*	Citi and SEB are acting as the Joint Global Coordinators, and together with Carnegie, are acting as the Joint Bookrunners and Managers in the Offering. The total remuneration paid to the Managers will partly depend on the success of the Offering. Some of the Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or the Principal Owners or any of the Company's respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with investors' and the Company's interests.
E.5	*Principal Owners / Lock-up agreements*	Under the Placing Agreement which is expected to be entered into on or about June 16, 2015, the Principal Owners and certain shareholder employees of the Company, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced (the "**Lock-up period**"). The Lock-up period for the Principal Owners will be six months, and the Lock-up period for the certain shareholder employees of the Company will be 12 months. At the end of the respective Lock-up periods, the shares may be offered for sale, which may affect the market price of the shares. The Joint Global Coordinators may make exceptions from these undertakings. Under the Placing Agreement, the Company will undertake, with certain exceptions, not to offer or issue shares or other financial instruments convertible into, exercisable or exchangeable for such shares, or publicly announce its intention to do so, for a period of 12 months from the first day of trading in the Company's shares on Nasdaq Stockholm without written consent from the Joint Global Coordinators.
E.6	*Dilution effect*	Not applicable. No new shares will be issued in connection with the Offering or the listing.
E.7	*Costs imposed on investors by the issuer or offeror*	Not applicable. Investors will not be charged any costs by the Company or the Selling Shareholders.

Any investment in the Offer Shares is subject to a number of risks. Accordingly, prior to making an investment decision, prospective investors should carefully consider the risks and uncertainties associated with any investment in the Offer Shares, the Group's business and the industry in which it operates, together with all other information contained in the Prospectus, including, in particular, the risk factors described below.

The risk factors described below are not an exhaustive list or an explanation of all risks that investors may face when making an investment in the Offer Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, financial condition and results of operations. In such case or cases, the price of the Offer Shares may decline and investors could lose all or part of their investment. The Prospectus contains forward-looking statements, which involve risks and uncertainties. The actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the risks the Group faces that are described below or elsewhere in the Prospectus. The selected sequence of the risk factors mentioned below represents neither a statement about the probability of the risks' realization nor an assessment of the extent of the economic effects or the importance of the risks.

Investment decisions should not be made solely on the basis of the risk warnings set out in the Prospectus since such information cannot serve as a substitute for individual advice and information that is tailored to the requirements, objectives, experience, knowledge and circumstances of each prospective investor individually.

Investors should consider carefully whether an investment in the Offer Shares is suitable for them in light of the information in the Prospectus and their personal circumstances.

Risks Relating to the Group's Business

The Group's business is subject to risks associated with weak or unstable global economic and financial market conditions and the cyclical nature of certain of the Group's end markets.

The general economic conditions and global financial markets affect the businesses of the Group's end customers in many ways, which, in turn, affect the demand for the Group's products. For example, during the global economic and financial crisis in 2008 and 2009, the Group's sales in the Construction and Rental business areas declined significantly due to a sharp decrease in demand for its products. The impact of the economic and financial crisis on the Industrial Equipment business area was delayed and most of the impact showed in 2009 and 2010 due to the typical industrial order backlog period[3] in industrial elevator orders ranging between approximately six to 12 months. The crisis was initially followed by an economic recovery. The period from the second half of 2009 until the first half of 2011 was generally characterized by positive developments in the European and global markets, as key emerging economies demonstrated stronger growth. According to the Economist Intelligence Unit ("**EIU**"), gross domestic product ("**GDP**") in 2010 increased by 2.1% in Europe and by 10.4% in China as compared to 2009. In 2011, however, the economic outlook weakened, among other things, as a result of the turbulence in the financial markets and the unresolved sovereign debt crisis in Europe. Further, the global economy experienced stagnant growth in 2012 and 2013. According to the EIU, GDP declined in Europe by 0.4% in 2012 and did not grow in 2013, while in China the GDP growth remained stagnant at 7.7% in 2012 and 7.7% in 2013. The global economy experienced a mixed economic performance in 2014 and the first quarter of 2015, with estimated GDP growth of 1.2% in Europe and 7.4% in China in 2014. While the global economy has shown signs of recovery since the global economic and financial crisis, such recovery has been volatile and may not be sustainable in the long term.

The Group is dependent on customer demand within the end markets in which the Group's products are ultimately used, for example, the construction, oil and gas, ports and shipyards, power and cement industries. The sales of the Group's industrial equipment in oil and gas, ports and shipyards, power and other industrial end markets accounted for 13%, 5%, 5% and 8%, respectively, of the Group's total

3 Order backlog is defined as Group's confirmed existing customer orders until their execution and recognition of revenue.

revenue in 2014.[4] Fluctuations in order intake for industrial and construction products as well as rental services and the demand for the Group's After Sales service offerings, particularly replacements and refurbishments, reflect the capital investment decisions of the Group's customers and the level of utilization of the Group's equipment, which depend to a great extent on the level of economic activity in the various industries and the overall economic and financial condition of the end markets in which the Group's customers operate. As a result of this cyclical pattern, the Group has experienced, and may experience in the future, significant fluctuations in the demand for its products and consequent fluctuations in its sales and profitability, as the Group's fixed cost base, in particular its personnel cost and manufacturing capacity, cannot be fully adjusted to fluctuations on the demand side.

The Industrial Equipment business area's market is project-oriented, where projects are often linked to investments in, for example, production facilities or platforms. Demand for the Group's industrial products is therefore sensitive to actual or anticipated economic conditions and the associated levels of investment within the Industrial Equipment business area's end markets. Specifically, in 2014, the Group's total product and service revenues in the oil and gas end market amounted to 21% of the Group's total revenues, with new industrial equipment sales in oil and gas reaching 13% of the Group's total revenues.[5] In the oil and gas industry, which historically has been cyclical, demand for, and potentially sales prices, of the Group's products and services are affected by the prices for oil and gas, which have experienced high volatility in recent years. Since the second half of 2014, the price for a barrel of Brent crude oil has fallen approximately 40%, from USD 112.3 as of July 1, 2014 to USD 66.2 as of May 18, 2015[6], which has resulted in a decrease in planned investments and expenditures in the oil and gas industry. Oil and gas prices are unpredictable, highly volatile and sensitive to a variety of factors, including economic and political conditions. Declines or volatility in oil and gas prices for an extended period of time, or market expectations of potential decreases or volatility in these prices, could have a negative impact on exploration, development and production activity and result in lower expenditures by the oil and gas industry, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Construction Equipment and Rental business areas serve the construction industry, which is strongly affected by the general economic climate and investment levels, which, in turn, can be affected by a number of factors, including interest rates, deflation, political uncertainty, taxation, unemployment, GDP growth and other factors that influence economic confidence. The conditions for the construction industry can be difficult to predict and a slowdown or a downturn within the construction industry could result in a decrease in demand for and sales prices of the Group's products and rental services.

While the demand for the Group's services in the After Sales business area is generally less cyclical than the demand for the Group's product sales and rental offerings, it correlates with equipment utilization levels, which are typically lower in periods of slower economic activity. The penetration of the Group's After Sales services is significantly higher within industrial than within construction equipment. In 2014, the Group's penetration rate in its installed base in industrial equipment was approximately 70% and approximately 30% in its construction equipment[7]. In 2014, industrial products, constituting approximately 33% of the Group's installed base, comprised the majority of the After Sales business area's revenue. As one of the Group's strategic initiatives in After Sales focuses on further development of sales and reach in the offshore market, there is a concern that any declines or volatility in oil and gas prices for an extended period of time could lead to suspension of operations on drilling rigs and the overall decline in exploration, development and production activity by the oil and gas industry, reducing utilization of the Group's After Sales services. In addition, rental companies, which along with distributors, represent the Group's largest customer segments in the Construction Equipment business area, often service their own fleets of equipment. During downward economic cycles, this means that they sometimes use their existing fleet for spare parts, utilizing parts of their inactive equipment for their equipment units in operation. In the past, such underinvestment has had an adverse impact on the Group's profits from its After Sales business area during global economic and financial downturns. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

4 Represents unaudited financial information.

5 Represents unaudited financial information.

6 Bloomberg, 2015.

7 Represents unaudited financial information. Penetration rate is calculated on revenues from rack-and-pinion parts and service business (excluding traction parts and service business and refurbishment for rack-and-pinion and traction) for the Group's installed base.

Overall, uncertain, weak or deteriorating global economic and financial market conditions, the cyclical nature of the Group's business as well as the increasing unpredictability of the business cycles of certain of the Group's end markets could have a material adverse effect on the Group's business, financial condition and results of operations.

Strong competition, changes in competitive landscape or oversupply in the markets in which the Group operates could reduce the Group's sales or market share, or put continued pressure on its sales prices.

The Group faces direct competition across all product lines, price ranges and geographic markets. The Group competes on the basis of durability, safety, quality and price of its products, total ownership costs, brand name recognition, customer service, on-time delivery and breadth of its product lines. The Group's competitiveness is dependent on introducing new products with enhanced functionality and quality, while simultaneously reducing the production costs and prices of new and existing products. The Group may not be able to lower its production costs or offer its new or existing products at attractive prices compared to its competitors and, therefore, may not be able to successfully compete.

The Group primarily competes with regional and local competitors in all of its business areas. The Group's local competitors may have the advantage of being more familiar with political or economic influences on the local markets as well as being more familiar to suppliers and end customers. Some of the Group's competitors may also have greater financial resources and the ability to provide customer financing or pricing discounts, which may put the Group at a competitive disadvantage. Some of the Group's competitors are also actively seeking to expand the scale of their operations on the global level. A weakening of or stagnation in the construction industry in China may further accelerate the international expansion efforts of the Group's competitors from the Asia-Pacific region, including China. The Group's competitors in mature markets may also be seeking to expand their global presence and to enter into emerging markets, particularly China. In addition, any consolidation among the Group's competitors could enhance their product offerings, geographical reach and financial resources, thus further strengthening their competitive position. Industry consolidation could lead to declining demand for and sales prices of the Group's products and services. Any changes in the Group's competitors' structure, emergence of new competitors on the market for vertical access solutions presently unknown to the Group or strengthening in the positions of its known existing competitors may place additional competitive pressure on the Group, resulting in decreases in the Group's sales, market share and sales prices.

Furthermore, the supply in the markets in which the Group operates is driven by its own manufacturing capacity and that of its competitors. Typically, capacity is added in periods when current or expected future demand is strong and margins are, or are expected to be, attractive. Additional supply from new capacity by the Group and/or its competitors at times where there is insufficient demand to support such supply results in overcapacity, thereby leading to reduction in demand for and sales prices of the Group's products, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's failure to maintain a competitive position with respect to durability, safety, quality and price of its products, total ownership costs, brand name recognition, customer service, on-time delivery and breadth of its product lines, or the Group's failure to adapt to changing market conditions or otherwise successfully compete against its competitors, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's strategy to increase market share in mature and emerging markets by focusing on mid-market products may fail or not produce the desired results.

The Group intends to further strengthen its global presence in mature and emerging markets, with a specific focus on China, India, South America and South East Asia, by broadening its mid-market product offerings in construction applications. However, as construction markets, in general, and the economic environment in the emerging markets, in particular, are subject to periods of volatility, the market for mid-market construction hoists could not develop or develop more slowly than the Group expects at a given time.

While the construction sector in mature markets experienced a deep decline following the 2008 financial crisis and showed signs of moderate gradual recovery between 2012 and 2014, there is no guarantee that this economic trend will continue or will continue at the same rate. Overall, numerous factors, including volatility in GDP, inflation, exchange rates and interest rates, may negatively affect the mature and emerging markets and lead to a decrease in the level of construction activity. For example, in recent years, the construction industry in China has experienced a gradual slowdown in growth, in part due to the general slowdown of economic growth in China and in part due to the respective slowdown in the Chinese commercial and residential real estate market. The Chinese government has in recent years implemented a number of measures to control the rate of economic growth, including raising interest rates and adjusting deposit reserve ratios for commercial banks, as well as implementing other measures designed to tighten credit and liquidity. These measures have contributed to a slowdown of the Chinese economy.

A slowdown or stagnant growth in construction, whether actual or perceived, a decrease in economic growth rates or an otherwise uncertain economic outlook in mature or emerging markets, could undermine the demand for the Group's mid-market products and have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, in the mid-market segment, the Group faces strong competition from regional and local players, particularly in emerging markets. The Group believes that, while safety and reliability often represent the basic customer requirements in the construction industry within emerging markets, price and brand often become the key differentiating factors for providers of mid-market construction products. If the Group is unable to offer its mid-market products at an attractive combination of price and quality compared to its competitors and/or if the Group is unable to control its production costs, it may not be able to successfully compete in the mid-market segment.

Should the Group's strategy of increasing its market share in mature and emerging markets by focusing on mid-market products not be successful or not as successful as the Group intends, any investments that it has made, which may be substantial, might not result in the desired growth in revenue, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's strategic efforts within its After Sales business area may prove unsuccessful, in part due to the Group's inability to penetrate a larger share of its installed base or competition from third-party dealers.

The After Sales business area generated 33.6%, 32.5% and 31.2% of the Group's revenue in 2014, 2013 and 2012, respectively, and 69.4% and 63.4% of the Group's operating profit (EBIT) in 2014 and 2013, respectively. The After Sales business area comprises, among other things, the supply of spare parts and provision of After Sales services, such as inspections, maintenance, refurbishment and repair services. In the After Sales market, the Group typically competes with regional and local third-party dealers and service providers. In 2014, the Group had a penetration rate of approximately 50%[8] of its global installed base of approximately 21,000 units[9]. While the Group believes that its installed base provides potential to further increase its global service market share, its efforts to penetrate a larger share of its installed base may prove ineffective.

Within the After Sales business area, the Group faces direct competition from local and regional providers of After Sales services and spare parts for rack-and-pinion and traction equipment. The success of the Group's After Sales business area depends not only on how effectively and adequately the Group is protecting its brand names and technical expertise, but also on its ability to serve its customers more efficiently and timely than its competitors, which includes the scope of the Group's service offering, the proximity of the Group's service providers to its customers and the Group's application experience. Furthermore, third-party dealers may compete with the Group by supplying unauthorized reproductions of the Group's spare parts. If the services provided by third-party dealers or unauthorized reproductions of spare parts are defective or of lower quality than the Group's services

8 Represents unaudited financial information. Penetration rate is calculated on revenues from rack-and-pinion parts and service business (excluding traction parts and service business and refurbishment for rack-and-pinion and traction) for the Group's installed base.

9 Installed base is the Group's own industrial and construction equipment, installed by the Group or a third-party, calculated on the basis of the Group's available sales and installation records and based on the estimated life cycle of 25-30 years for industrial elevators and 25 years for construction equipment.

and spare parts, such services or spare parts may have a negative impact on the performance of the Group's industrial or construction equipment, which in turn, may have a negative impact on the Group's reputation and could result in lost revenue opportunities.

Any reasons mentioned above could undermine the success of the Group's strategic efforts within its After Sales business area and have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group depends on its ability to adapt to market demands and develop new products and services.

The Group's long-term success, among other things, depends on its ability to adapt to evolving industry requirements and introduce attractive new products and services while maintaining competitive pricing within its respective product categories. In order to remain competitive, the Group must anticipate future customer needs and develop products and services required and accepted by its customers. For example, in the recent past, the industry requirements have focused on increasing electric content in the vertical access solutions and modifying requirements for drive motors used in some vertical access equipment. As part of its strategic focus, the Group emphasizes product re-design and new product development. However, the Group's research and development efforts may not be successful or may not yield the anticipated level of economic benefit. Product development requires significant investment in human resources and capital well in advance of any resulting sales, and technologies and standards can change during development, potentially rendering products outdated or uncompetitive before their introduction and, thus, result in partial or total loss of the Group's investment.

Moreover, even if the Group's research and development efforts are successful, its product development efforts might not translate into sales of new products to customers, either because they do not meet customer needs or because they are not introduced in a timely manner. Failure to develop or delays in the development of commercially successful products meeting market requirements and expectations for technological innovation could have a material adverse effect on the Group's business, financial condition and results of operations.

Any production disruptions or damages to the Group's production facilities could harm the Group's ability to effectively operate its business, increase its expenses and harm its reputation.

The Group has three production sites, one located in Skellefteå, Sweden, and two neighboring production sites in Changshu, China. Stoppages or disruptions in the production process at any of the sites caused, for example, by fire, mechanical breakdowns, technology disruptions, weather conditions, natural disasters, labor disputes or terrorist activities, may have adverse effects in the form of direct damages to property as well as interruptions that undermine the Group's ability to fulfill its obligations towards its customers. Any production disruptions or damages to the Group's Swedish production facility may have a particularly negative impact on the Group's business, financial condition and results of operations as this facility features a high level of automation and is focused on manufacturing of specialized products, and the replacement of assets and/or products damaged by such events could be difficult and expensive.

The Group's customers are often dependent on planned deliveries from the Group in connection with larger projects and may be required to delay or reschedule their construction and production activities due to delivery delays by the Group. This, in turn, may cause the customers to choose alternative suppliers or pursue financial claims against the Group. While the Group's contracts typically provide for liquidated damages in the event that it is unable to perform and deliver in accordance with the contractual specifications and schedule, the Group's customers may be able to pursue additional claims against the Group. Accordingly, such disruptions or damages could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group is subject to risks associated with increases in the prices of certain production components, including steel based parts, drive units, electronics and cables.

Volatility in the prices of steel based parts, drive units, electronics and cables may affect the production and manufacturing costs of the Group, which the Group may not be able to pass on to its customers.

At certain price levels of components, the continued production of certain products may become unprofitable, or the price of the Group's products may not be sufficiently attractive to its customers. The Group is particularly dependent on the prices of steel based components. Prices of raw materials required for manufacturing of parts and components, such as steel prices, have a significant impact on the respective component prices. The steel industry is highly cyclical in nature, and steel prices have been volatile in recent years and may remain volatile in the future. The significance and relative impact of many other factors affecting the prices of parts and components are difficult to predict or quantify. The Group's production component costs also vary depending on the capacity utilization rates of the Group's suppliers, quantities demanded from the suppliers, product technology and product specifications. As a result, the Group's costs of materials can vary significantly in the short term and, in cases of supply shortages, can quickly and significantly increase.

The Group aims to minimize the impact of raw material price volatility through price adjustment mechanisms built into its contracts with suppliers and customers. Although the Group seeks to pass on cost increases through regular sales price reviews and adjustments and has generally shown a good ability to adapt to changes in input prices, the Group has not always been able to successfully pass on cost increases in the past and may not be able to do so in the future. Any significant price increases that the Group cannot fully pass on could have a material adverse effect on the Group's profitability. In addition, during periods of declining input prices, customer demand may also require that the Group sells its products at lower prices, in spite of the fact that it may use existing inventories that were purchased at higher prices, thereby, in the short term, negatively impacting the Group's profitability.

Volatility in the cost of components and the Group's limited ability to pass on such increases to suppliers and customers could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be adversely affected by its suppliers being unable to deliver certain components as agreed or delivering certain components of inferior quality, facing financial, legal or operational problems or increasing prices.

The Group's products consist of components from several different suppliers and their production is highly dependent upon reliable and sufficient sources of high quality parts and components, including steel based components, drive units, electronics and cables. To be in a position to manufacture, sell and deliver quality products, the Group is dependent upon deliveries from its suppliers in accordance with agreed requirements relating to, for example, quantity, quality and delivery times. The Group may be affected by its suppliers facing financial, legal or operational problems, increasing prices, being unable to make deliveries as agreed, or delivering products that have not been properly tested and/or have quality issues. Unsatisfactory deliveries by suppliers can cause delays or defaults in the Group's own deliveries, which could result in reduced sales. If the Group needs to source products from another supplier, it may cause transitional problems and require re-testing and quality control. In addition, instances may arise where the Group may lack enforcement mechanisms against a supplier in the event of a dispute, even if the Group wins the dispute in a court or a tribunal. All of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Failure to successfully implement cost reduction initiatives, structural measures and reorganization projects in a timely and economical manner could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group continuously evaluates, and from time to time implements, various cost reduction initiatives, structural measures and reorganization projects to strengthen its position and competitiveness. For example, between 2010 and 2012, the Group rationalized its manufacturing footprint by migrating its production facilities from the United States and the Netherlands to Sweden and China. Going forward, the Group may decide to further rationalize its operations and divisions or alter its sales, manufacturing or distribution structures.

The Group could experience difficulties or disruptions in the implementation of any such changes, and there can be no guarantee that the Group will be able to implement these initiatives successfully. Moreover, there can be no guarantee that the Group's structural measures and reorganization projects will achieve their intended objectives or will not have inadvertent negative consequences for the Group's business. The realization of any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Damage to the Group's reputation may result in lower customer demand or loss of business and growth opportunities.

One important competitive strength of the Group is its brand reputation, which is associated with safety, reliability and quality. The Group's reputation is particularly important in relation to its new and existing customers and distributors. Accordingly, any real or perceived operational or logistics problems, issues related to safety, reliability or quality of the Group's products or any loss of a well-known customer may result in the Group's reputation being damaged. Damages to the Group's reputation may result in difficulties in retaining existing or attracting new customers and distributors, lower customer demand and/or loss of business or growth opportunities for the Group. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's products are sold directly and through third-party distributors and the failure to maintain relationships with its existing distributors, attract additional distributors or effectively manage its distributors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group currently sells its products through more than 55 third-party distributors. Going forward, as part of the Group's growth strategy, it aims to increase the use of third-party distributors, especially in emerging markets. Many of the Group's distributors also provide After Sales services to the Group's customers. The Group typically enters into distribution agreements with varying duration, which may be terminated within an agreed upon timespan given prior written notice. As its existing agreements expire, the Group may be unable to renew these agreements on favorable terms or at all.

Competition for distributors is intense, as the Group must compete for distributors with other leading construction and industrial vertical access solutions manufacturers, especially in China and other emerging markets. Such competitors, especially those located in China, may have greater brand recognition, stronger local connections, superior financial resources and a broader product offering than the Group, providing them with a competitive advantage in finding distributors. The Group's competitors may also enter into long-term and/or exclusive agreements that effectively prevent their distributors from selling the Group's products. Furthermore, while the Group's typical distribution agreements expressly exclude post-termination compensation, pursuant to certain national legislation, for example in Sweden and Belgium, distributors may bring claims for post-termination compensation, which may result in additional expenses for the Group. Consequently, engaging new distributors, maintaining relationships with existing distributors and replacing distributors can be difficult, time-consuming and disruptive to the Group's operations. In addition, recruiting and retaining qualified third-party distributors and training them in the Group's technology and product offerings requires significant time and resources.

The Group has limited ability to manage and control the activities of its distributors. The Group is unable to ensure that its distributors comply with all applicable laws regarding the sale and service of the Group's products. The Group's distributors could take certain actions that could potentially have a material adverse effect on the Group's reputation and business. Generally, the Group's distributors are appointed as the exclusive distributors within a defined territory, however, this does not restrict the Group from selling its products directly to customers within that territory. Moreover, most of the Group's distribution agreements include exclusivity provisions establishing the Group as a sole supplier and barring respective distributors from selling competitors' products to customers in certain areas. However, the Group's distributors, not barred by the exclusivity provisions or in violation of such provisions, could sell products that compete with the Group's products, focusing only on the sales of those products that provide them with higher margins or commissions. The distributors could also sell the Group's products outside their designated territory, fail to adequately promote the Group's products, fail to provide proper training and After Sales services to the Group's customers or conduct their business in violation of the relevant laws or regulations in their respective jurisdictions, among others.

Any of the above could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group is subject to credit risks arising from its dealings with customers or financial counterparties.

Credit risk is the risk that the Group's customers may be unable to fulfill their payment obligations. This risk accounts for the majority of the Group's counterparty risk. The Group's customer payment terms vary by business area and geography, with certain agreements requiring advance payments prior to the project execution. The Group believes that many of its customers are reliant on liquidity from the global credit markets and, in some cases, require external financing to fund their operations. Specifically, rental and construction companies, which represent the largest end customer base for the Group's Construction Equipment business area, rely heavily on the availability of third-party funding for their operations. Consequently, a lack of market liquidity may adversely impact customers' ability to make payments under the existing contracts with the Group and result in a decrease or cancellation of orders for the Group's products and services. Financial credit risk arises from the Group's exposure to default of counterparties with which the Group has invested cash, short-term bank investments or contracted financial instruments. If the Group's measures to minimize financial and credit risks are not sufficient, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Failure to maintain inventory levels in line with the approximate level of demand for its products could cause the Group to lose sales or face excess inventory risks and holding costs.

While the Group is involved in a number of complex industrial projects, where orders are usually signed well in advance of the actual production phase, within the Construction Equipment and Rental business areas the Group maintains a certain level of finished goods inventory for some of its products to allow immediate delivery when required in order to meet customers' demands and expectations. Furthermore, to secure stable production of construction and industrial equipment, the Group maintains a certain level of inventory of parts and components for manufacturing. However, order and production forecasts are inherently uncertain. If the Group's forecasted demand is lower than actual demand, the Group may not be able to maintain an adequate inventory level of its products or to manufacture the products in a timely manner. This may lead to loss in sales and market share to the Group's competitors. Alternatively, the Group may also be exposed to increased inventory risks due to excess inventory of its products, parts or components. Excess inventory levels may increase the inventory holding costs and risks of inventory obsolescence, markdown allowances or write-offs. Failure to accurately forecast its sales and manufacturing component needs could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to product liability exposure, which could harm its reputation and could have a material adverse effect on its business, financial condition and results of operations.

The Group's products expose it to potential claims if they fail to perform as expected, are proven to be defective or if their use causes, results in, or is alleged to have caused or resulted in, personal injury, project delays or damages or other adverse effects. Any product liability claim, whether relating to personal injury or project delays or damages, could prove costly and time-consuming to defend and could potentially harm the Group's reputation. Moreover, product liability claims, if successful, could require the Group to pay substantial damages. While the Group currently maintains product liability insurance to cover potential product liability arising from the use of its products, the insurance coverage may prove insufficient in individual cases. Furthermore, certain product liability claims may result from defects in parts and/or components purchased from third-party suppliers. Such third-party suppliers may not indemnify the Group for defects in such parts and/or components or may only provide limited indemnification that is insufficient to cover the damages resulting from the product liability claim. A product liability claim, with or without merit, may result in significant negative publicity and thus have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

Furthermore, a material design, manufacturing or quality related failure or defect in the Group's products or other safety issues or concerns related thereto could require a product recall or a voluntary exchange of products or components by the Group. For example, between 2010 and 2012, the Group conducted a voluntary product exchange program for its CT adaptors produced in the Netherlands. In line with the program, all qualified outstanding CT adaptors were replaced with a new transport platform light (TPL) adaptor.

If the authorities in the jurisdictions in which the Group operates decide that the Group's products fail to conform to applicable quality and safety requirements and standards, including the performance standards for certain products, the Group could be subject to regulatory actions and even lose its business license. Criminal liability can be triggered by violations of the general obligation to offer safe products or can arise from significant damage caused to the users of any defective products. Any such regulatory action could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

If the Group experiences a significant number of warranty claims, its costs may increase substantially, and its reputation and brands could suffer.

Typically, the Group sells its products with warranty terms covering a period of 12 to 24 months after the date of equipment delivery or as otherwise contractually specified. The Group's product warranty typically requires it to provide After Sales services that cover parts and labor for non-maintenance repairs, excluding cases where the repairs are required due to operator abuse, improper use or negligence and are not attributable to normal wear and tear. Repair and replacement of certain parts and components of the Group's products are not covered by the Group but are covered by the manufacturers of such parts and components. However, in the event that such third-party suppliers refuse to perform their warranty obligations or to indemnify the Group for providing warranty services to customers to repair such parts and components, the Group may incur additional warranty costs or incurred costs may not be recovered.

Furthermore, through a series of guarantee arrangements and upon request, the Group also offers its customers performance and warranty bonds to guarantee that the Group will fulfill its obligations under the contract or solve warranty issues during the specified warranty period. The typical duration of a performance bond is approximately 12 months from the start of performance, while the typical duration of warranty bonds may range from 12 to 24 months from the product's delivery to the customer. However, the duration of performance and warranty bonds varies between business areas and projects. If the Group is unable to perform or solve the warranty issue, the bonds provide the owner of the project with a remedy through the respective bank acting as surety.

If the Group experiences an increase in warranty claims or if its repair and replacement costs associated with warranty claims increase significantly, it may damage the Group's reputation and increase the Group's warranty expenses. Moreover, if its customers increasingly draw on their performance and warranty bonds, the Group's fixed costs associated with its performance or warranty bond arrangements with the banks may increase, which could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The production sites and other facilities that the Group operates can be inherently dangerous workplaces, and if the Group fails to maintain a safe work environment, it could be exposed to significant financial losses as well as civil and criminal liability.

In the Group's daily operations, its employees and others are often placed in close proximity to large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes and regulated materials. The Group is responsible for safety on its sites and, accordingly, must implement adequate safety procedures. If it fails to implement such procedures or if the procedures the Group implements are ineffective, its employees and/or others may become injured, or its sites may experience downtime, which could prevent the Group's operations from being carried out normally, as well as subject the Group, including its management, to civil and criminal liabilities. Unsafe work sites also have the potential to increase employee turnover, increase the cost of equipment and increase the Group's operating costs. In addition, operation of the Group's facilities can involve handling of hazardous and other regulated materials, which, if improperly handled or disposed of, could also subject the Group to civil and criminal liabilities.

The equipment manufactured by the Group, if not handled correctly, can potentially be dangerous. As part of its After Sales services, the Group offers its customers comprehensive product training programs aimed at people who work with, use or maintain the equipment. If the Group fails to provide an appropriate training program or the training program provided proves to be insufficient or ineffective, the Group's customers may be injured. As a result, the Group may be subject to civil and criminal liabilities, could lose business opportunities due to customer dissatisfaction and lose its reputation.

Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on its IT systems and any disruption in such systems or the Group's failure to adapt to technological developments could harm the Group's business, increase its expenses and damage its reputation.

The Group relies on standardized IT systems and networks to support its business operations, as well as internal and external communications. The Group is particularly dependent on its IT systems to purchase, sell and deliver products and invoice its customers, as well as for accounting, financial reporting and inventory management. Significant problems with its IT infrastructure, as a consequence of, for example, upgrades of existing IT systems, electricity shortages, computer viruses, network problems, or deficiencies that materialize in the function of its IT systems, could halt or delay manufacturing and hinder the Group's ability to ship products in a timely manner or otherwise routinely conduct its business. Any of these events could result in the loss of customers, a decrease in revenue or the incurrence of significant costs to resolve the problem or failure, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, to remain competitive, the Group must continue to develop and enhance its IT systems and keep pace with new IT developments, while at the same time maintaining the reliability of its operations, products and services. For example, in the course of 2014, as part of the Group's strategic goal to strengthen its sales network, the Group implemented a global customer relationship management ("**CRM**") system, which functions as a market monitoring tool aimed at improving performance tracking and individual coaching for the Group's sales force and distributors by increasing the transparency of individual sales activities. The Group may be required to invest substantial financial, operational and technical resources in the development of new software or other technology, the acquisition of equipment and software or upgrades to its existing systems and infrastructure. The Group may not be able to anticipate such developments or have the resources to acquire, develop, implement or utilize, in a cost-effective manner, IT and communications systems that provide the capabilities necessary for the Group to compete effectively, which could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group engages in acquisitions and investments and may encounter difficulties in successfully identifying and making strategic acquisitions, integrating them into its existing business operations and establishing and maintaining strategic relationships.

As part of its growth strategy, the Group has made strategic acquisitions in the past and expects to make such strategic acquisitions in the future should attractive opportunities arise. The Group's acquisition strategy is focused on a few key drivers, including selectively broadening its existing portfolio of products and services, accelerating its footprint in emerging markets and positioning the Group for entry into profitable adjacent niches of vertical access solutions, particularly in industrial applications. In addition to engaging in strategic acquisitions, the Group may also make investments in joint ventures and establish and maintain strategic relationships with third parties. There can be no guarantee that the Group will be able to find suitable acquisition or investment targets, or that the Group will be able to obtain the necessary financing for future acquisition targets on acceptable terms. In addition, strategic acquisitions, investments and relationships with third parties could subject the Group to a number of risks, including disputes and disagreements with joint venture or strategic relationship partners.

Acquisitions are subject to risk. In addition to company-specific risks, there can be no assurances that any acquisitions the Group has already made or which it might enter into in the future will be integrated or implemented successfully or will achieve the desired or expected benefits and financial objectives. The Group's efforts to integrate the operations of any acquired business with its existing operations and its ability to execute integration plans for an acquired business may be affected, and in some cases even limited, by applicable laws and regulations. Successful integration of acquired businesses depends in part on the Group's ability to manage the combined operations, to realize opportunities for revenue growth presented by broader product offerings and expanded geographic coverage and to eliminate redundant and excessive costs. Furthermore, the integration of acquired businesses into the Group's operations involves a number of other risks, including, but not limited to: demands on management and diversion of its attention; unforeseen or hidden liabilities, including exposure to unforeseen lawsuits or disputes associated with newly acquired companies or businesses; management of employee relations; and increases in regulatory compliance costs relating to the acquired businesses. There is also a risk that integration processes may prove more costly or more time-consuming than estimated. Moreover, even in cases in which such transactions are completed on schedule and according to plan, the synergies actually resulting from an acquisition or the benefits actually derived from a cooperation can ultimately differ materially from the Group's estimates or expectations. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be subject to liabilities and costs associated with its intellectual property.

The Group uses a combination of trademarks, patents, licenses and other measures to protect its intellectual property. While the Group is not reliant on any major patents or licenses for its operations, the Group believes that its trademarks, particularly Alimak, Hek, Heis-Tek, Champion and Scando, play an important role in protecting its brand name, marketing of the Group's products and maintaining its competitive advantage. The Group has a portfolio of trademarks worldwide, but does not enjoy the same level of protection in all countries. Accordingly, there can be no guarantee that the Group will receive trademark or similar legal protection in respect of Alimak, Hek, Heis-Tek, Champion, Scando and/or other brands in all relevant jurisdictions. There is a risk that the laws of certain foreign countries in which the Group is active may not adequately protect the Group's intellectual property rights. For example, the validity, enforceability and scope of protection of intellectual property rights in China are uncertain and still evolving, and the Group may be subject to substantial risks in that respect. The steps the Group has taken or will take to protect its intellectual property may not provide adequate protection, and third parties may infringe the Group's intellectual property, and it may not have adequate resources to enforce its intellectual property.

In addition, the existence of intellectual property rights does not guarantee that the manufacturing, sale or use of the Group's products do not infringe upon the intellectual property rights of others. The Group may initiate lawsuits in order to defend its intellectual property rights, or the Group may be subject to litigation brought by third parties based on claims that it has infringed upon their intellectual property rights, either of which scenarios will be time-consuming and costly to defend. The Group cannot guarantee that it can achieve a favorable outcome in any such litigation. The Group's intellectual property rights may not be upheld if challenged and the Group may be prevented from using any of them, any of which occurrences could harm its business. Loss of trademark protection could force the Group to rebrand its products and services, which could result in loss of brand recognition, and could require the Group to devote resources to advertising and marketing new brands. Loss of patent protection could require the Group to abandon its processes or product features that drive its profitability. Further, any claims of trademark or patent infringement may require the Group to enter into royalty or licensing agreements in order to obtain the right to use a third-party's intellectual property, which may not be available to the Group on acceptable terms.

The Group is subject to litigation risks, which could have a material adverse effect on its business, financial condition and results of operations.

The Group may from time to time be involved in judicial and administrative proceedings relating to its business, including compliance with domestic and foreign laws, product liability, competition laws, and laws governing improper business practices, environment, tax, health and safety, as well as contractual interpretation and intellectual property rights. Currently, the Group has a number of material litigation matters pending, including (i) criminal proceedings in Belgium relating to alleged platform defects where Alimak Hek BV (Netherlands) was found guilty on two criminal charges and appealed the decision, including the criminal fines, (ii) an accident liability and personal injury lawsuit in Italy based on an alleged platform defect for damages of approximately SEK 2.4 million, (iii) an accident liability and personal injury lawsuit in France based on alleged machine defects, and (iv) a threatened claim from a former distributor in Kuwait relating to an alleged wrongful termination of a distributor agreement. For further information, see "*Business — Material Litigation*".

If convicted or found liable, the Group could be subject to significant fines, penalties, repayments or other damages (in certain cases, punitive damages). Such judicial and administrative proceedings may prove time-consuming, disrupt normal operations and result in significant costs and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to environmental liabilities.

The Group's past and present operations, facilities and properties are subject to extensive and evolving foreign and domestic laws and regulations pertaining to air emissions, wastewater discharges, handling and disposal of solid and hazardous materials and waste, remediation of contamination, and other laws and regulations relating to health, safety and environment. From time to time, the Group may be involved in administrative or legal proceedings relating to health, safety and environmental matters. Moreover, the Group has in the past incurred and will continue to incur expenditures relating to such matters.

The Group may from time to time be required to conduct contamination clean-up and remediation of releases of regulated materials at its owned or operated facilities (including contamination caused by prior owners and operators of such sites) or related to off-site disposal of regulated materials. For example, soil contamination has been identified on the Group's former site in Middlebeers, the Netherlands, where it engaged in manufacturing operations until 2010 and rental, servicing and selling operations until the end of 2014. The site has undergone remediation and follow-up monitoring in the period between 1995 and 2013. In case of future building redevelopment or demolition of the site, further soil and groundwater issues may arise and require further remediation. The discovery of additional contamination or the imposition of subsequent clean-up obligations at this or other sites in the future could result in significant additional costs for the Group. In addition, until its sale in 2011, the Group operated a manufacturing site in the United States. While no remediation work has been required in relation to the property, the Group may be subject to potential liability under the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("**CERCLA**"), and comparable state statutes in connection with any potential contamination at the site, as well as in connection with materials that were sent to third-party recycling, treatment, and/or disposal facilities. CERCLA, and comparable state statutes impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination, and for damages to natural resources. Liability under CERCLA is retroactive and, under certain circumstances, liability for the entire cost of a clean-up can be imposed on any responsible party. No notices under CERCLA or similar state statutes are currently pending against the Group that are expected to result in material costs.

The Group also cannot guarantee that identification of presently unidentified environmental conditions, more vigorous enforcement by regulatory authorities, or other unanticipated events will not arise in the future and give rise to additional environmental liabilities, compliance costs and/or penalties that could be material. Further, environmental laws and regulations are constantly evolving and it is impossible to accurately predict their effect. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's licenses, permits, authorizations or third-party certifications may be suspended, amended, terminated or revoked prior to their expiration, and the Group may be unable to obtain or maintain various other permits or authorizations.

The Group's operations are subject to regulatory regimes across a variety of jurisdictions, including licensing, and the receipt of various permits and authorizations, including the operations of its production facilities and subsidiaries. The Group is required to hold licenses for the storage and processing of hazardous and non-hazardous materials, water use and discharge, emission and effluent discharge, power use and other operations.

In connection with its newly acquired operational facility in Changshu, China, the Group has applied for and is currently in the process of obtaining a pollutant discharge permit from the local authorities. Failure to obtain such permit or, in the future, renew it in a timely manner may subject the Group to warnings, monetary fines or other penalties, including orders to stop discharging pollutants. Even if all necessary certificates and permits are issued, these certificates, permits and other approvals could have conditions and restrictions that could adversely affect the Group's business and require additional investment and time commitment from the Group, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

There can be no guarantee that, in the future, the Group will be able to obtain new or renew existing licenses or remain in compliance with some or all of the requirements imposed in connection with current or future licenses, permits and authorizations. Regulatory authorities may also impose additional or more stringent obligations or operating limits under permits and licenses the Group receives or renews in the future, which would increase the Group's costs or restrict its operations. If the Group fails to fulfill the requirements of its licenses or permits, regulatory authorities may impose fines on it or suspend, revoke or terminate its licenses and permits, which would have a material adverse effect on the Group's ability to operate.

In addition, the Group voluntarily subjects itself to third-party certifications of its technical and quality standards, such as those provided by the International Organization for Standardization ("**ISO**"). Any failure by the Group to meet quality and technical requirements needed to receive the third-party certifications or the loss of its existing third-party certifications may lead to the loss of the Group's existing business or additional business opportunities.

Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

Non-compliance with existing laws and regulations or changes in any such laws and regulations could have a material adverse effect on the Group's business, financial condition and results of operations.

As an industrial company operating across many jurisdictions, the Group is subject to international, national and local laws and regulations, including, but not limited to, labor and employment, health, safety and environment, customs, anti-corruption, trade, competition and anti-trust. The Group is also subject to foreign trade laws and is required to pay export duties or customs duties on materials and products that it exports and imports. The Group operates in an environment where regulatory requirements change frequently, evolve continuously and may become more stringent. The Group's compliance with applicable laws and regulations may be costly, especially in areas where there are inconsistencies between various jurisdictions in which it operates.

The Group is also subject to anti-bribery laws and regulations in the countries in which it operates, including the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and the U.K. Bribery Act 2010, which prohibit companies and their intermediaries from making or receiving improper payments. Furthermore, many of the jurisdictions in which the Group does its business, including the United States, Sweden, Germany and other member states of the European Union, issue regulations requiring the Group to refrain from doing business, or allowing its clients to do business through the Group, in certain countries or with certain organizations or individuals on a prohibited list maintained by such governments. The Group has recently adopted a new code of conduct and is currently in the process of implementing new policies and a new group-wide training program to ensure compliance with various regulatory requirements, including anti-bribery and export control laws and regulations. As the Group has not had such a systematic approach in monitoring compliance with such regulations in the past, the Group may be subject to claims relating to violations that have resulted from earlier actions. Also, the Group may not be successful in implementing these new control systems, policies and procedures effectively. Failure to do so could jeopardize the Group's compliance with the rules and regulations, which could materially and adversely affect the Group's business, financial condition and results of operations. In addition, there is no guarantee that the measures that the Group undertakes to seek to ensure lawful conduct will prevent its employees or agents from violating the FCPA or similar laws.

Failure to adopt and enforce appropriate internal policies to ensure compliance with the law may result in severe criminal or civil sanctions, and the Group may be subject to other liabilities, which could have a material adverse effect on its business, financial condition and results of operations. The Group may also be held liable for actions taken prior to its control of the respective business or taken by the Group's local, strategic or joint venture partners, even though its partners are not subject to the FCPA, the U.K. Bribery Act 2010 or similar regulations in other jurisdictions.

Non-compliance with existing laws and regulations or changes in any such laws and regulations could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group is exposed to fluctuations in foreign exchange rates.

As a global business, the Group has a number of reporting units that operate in currencies other than Swedish krona and is exposed to financial risks that arise from variations in currency exchange rates. Currency risk is the risk that currency exchange rate fluctuations will have an adverse effect on the Group's cash flow, income statement or balance sheet. Exchange rate fluctuations affect the Group's results partly when sales and purchases in foreign subsidiaries are conducted in different currencies (transaction exposure) and partly when income statements and balance sheets are translated into Swedish krona (translation exposure). The comparability of the Group's results of operations between periods may be affected by changes in currency exchange rates. For example, the Group's revenue increased by SEK 225.3 million, or 14.9%, to SEK 1,742.5 million in the year ended December 31, 2014 from SEK 1,517.1 million in the year ended December 31, 2013. This increase was in part attributable to positive foreign exchange translation effects in the Group, which amounted to 3.8 percentage points of the total 14.9% increase.

The foreign currencies that have the most significant impact on the Group's earnings and net assets are the euro, the U.S. dollar, the Australian dollar, the Chinese yuan and the British pound. The Group maintains and updates its hedging arrangements, consisting of exchange forwards, to decrease the level of its transaction exposure. However, its hedging strategy may ultimately be insufficient or unsuccessful. If the Group's measures to hedge and otherwise control the effects of exchange rate movements should prove insufficient, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to fluctuations in interest rates, which could have a material adverse effect on the Group's business, financial condition and results of operations, and, in particular, impact the Group's borrowings and the Group's defined pension liabilities and costs.

Interest rate risk is the risk that changes in market interest rates will adversely affect the Group's net interest items, fair values and cash flows. The speed at which a change in interest rates affects the Group's financial position depends on the fixed or variable interest terms of the Group's assets and/or liabilities. Interest rate risk arises in two ways, namely where the Group has invested in interest-bearing assets, the value of which changes when the interest rate changes, and where the cost of the Group's borrowings fluctuates when the general interest rate situation changes.

The Group's interest rate risk arises mainly from its borrowings. As of December 31, 2014, the Group's total borrowings amounted to SEK 1,839.3 million, of which SEK 919.4 million, equal to 50.0% of the Group's then-outstanding debt, effectively bore interest at fixed rates. As of December 31, 2014, the Company's fixed-rate debt included SEK 918.8 million outstanding under the shareholder loans held by Apolus Holding AB, which will be off-set against shares in the Company at a subscription price equal to the Offer Price on June 17, 2015. The remaining SEK 919.9 million equal to 50.0% of the Group's outstanding debt as of December 31, 2014, bore interest at variable rates.

In connection with the Offering, the shareholder loans held by Apolus Holding AB will be off-set against shares in the Company through a set-off issue that will take place on June 17, 2015, as further described under "*Share Capital and Ownership — Conversion of Shareholder Loans*". In addition, concurrently with the Offering, the Group will enter into a SEK 1,250 million multicurrency revolving credit facility agreement with Svenska Handelsbanken AB (publ) (the "**Senior Facility Agreement**") and use borrowings thereunder to repay the amounts outstanding under its prior senior facility agreement with Svenska Handelsbanken AB (publ) (the "**Prior Senior Facility**"). The Senior Facility Agreement bears interest at a variable rate. For further information, see "*Operational and Financial Review – Indebtedness*".

Until March 2014, the Group hedged its exposure to interest rate risk through interest rate swaps. The Group's swap agreement expired on March 26, 2014. The Group currently employs no hedging instruments for its interest rate exposure. If the Group's measures to control the effects of interest rate movements are ineffective, changes in interest rates could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group has different pension plans, including defined benefit pension plans and defined contribution plans, in accordance with the local conditions and prevailing practice in those countries in which the Group operates. As of December 31, 2014, the Group reported a net defined benefit obligation of SEK 64.5 million, in which the unfunded defined benefit obligations consisted of SEK 42.6 million in Sweden and SEK 3.8 million in other jurisdictions, such as the United Kingdom, Italy, Germany and the Netherlands. The funding status and the liabilities and costs of maintaining such defined benefit pension plans may be impacted by financial market developments and, particularly, fluctuations in interest rates. For example, the accounting for such plans requires determining discount rates, expected rates of compensation and expected returns on plan assets, and any changes in these variables or the Group's assessment thereof can have a significant impact on the projected benefit obligations and net periodic pension costs. Negative performance of the financial markets and adverse changes in interest rates could also have a material impact on funding requirements and net periodic pension costs. Accordingly, the Group's costs to meet pension liabilities going forward may increase significantly, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to liquidity risk and may require additional funding, which it may not be able to obtain on favorable terms or at all.

The liquidity risk is the risk that the Group cannot meet its short-term payment obligations. The Group has in place a financial policy, which prescribes that the liquidity reserve shall comprise such a level that the reserve can handle the fluctuations that are expected in the daily liquidity within a six month period.

During the period under review, the Group's principal sources of liquidity have been its net cash generated from operations, shareholder loans held by Apolus Holding AB, and short- and long-term bank borrowings primarily under the Prior Senior Facility. In connection with the Offering, the shareholder loans will be off-set against shares in the Company through a set-off issue that will take place on June 17, 2015, as further described under "*Share Capital and Ownership – Conversion of Shareholder Loans*". The Group expects that, following the Offering, its key sources of liquidity will continue to be cash flows from operations and short- and long-term bank borrowings. External financing will be provided primarily from drawings under the Group's Senior Facility Agreement (see "*Operational and Financial Review — Indebtedness*" for more details about the Senior Facility Agreement).

In the future, the Group may require further financial resources in order to reach its strategic goals or respond to negative developments in its business and operations. In addition, negative developments in the Group's sales or margins or any unforeseen liabilities, changes in the timing for tax payments, payments of accounts payables or receipt of accounts receivables may lead to a strained liquidity and working capital position and potentially the need for additional funding.

To obtain the necessary funds, the Group may have to employ available financial assets and/or obtain additional financing through, for example, equity financing, debt financing or other means. The availability of such additional financing is dependent on a variety of factors, such as market conditions, general availability of credit, overall availability of credit within the financial markets and the Group's credit rating. Further, any debt financing, if available, may include restrictive covenants. The Group's ability to meet future capital requirements is highly dependent on the success of the Group's products and services. It cannot be guaranteed that the Group will be able to raise sufficient funds on favorable terms or at all, through public or private financing, strategic relationships or other arrangements to meet its future capital needs.

If any of the above risks materialize, the Group may be forced to seek additional equity capital, restructure or refinance its debt, postpone the raising of additional financing, bear a higher cost of financing, reduce or delay capital expenditures or sell assets or businesses at unfavorable times or at unfavorable prices or other terms, among others. This could limit the Group's ability to implement its business plan, decrease its profitability and significantly reduce its financial flexibility. Accordingly, the factors outlined above could have a material adverse effect on the Group's business, financial condition and results of operations.

Adverse weather conditions, acts of nature, epidemics, and natural and other disasters could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business is subject to the general environmental conditions across the globe and particularly in areas where the Group or its customers operate. Adverse weather conditions, acts of nature, epidemics or other disasters, may delay or even cause the cancellation of industrial and construction projects, which could adversely affect the demand for the Group's products and/or services and have a material effect on the Group's business, financial condition and results of operations.

Moreover, natural disasters, acts of nature or adverse weather conditions could directly damage, destroy or disrupt the Group's manufacturing or production facilities. Any such event could disrupt the Group's operations, delay new production and shipments of existing inventory or result in costly repairs, replacements or other costs, all of which would negatively impact the Group's business. The impact of such occurrences depends on the specific geographic circumstances but could be significant. For example, over the past few decades, China has suffered health epidemics related to the outbreak of avian influenza, H1N1 virus and severe acute respiratory syndrome, or SARS. Any prolonged recurrence of avian influenza, SARS or other adverse public health developments in China may have a material adverse effect on the Group's business operations in the region. These could include restrictions on the Group's ability to travel or ship products within China, as well as temporary closure of its production facilities. Such closures and/or travel or shipment restrictions would severely disrupt the Group's business operations and have a material adverse effect on the Group's business, financial condition and results of operations.

Even if manufacturing facilities are not directly damaged, a large natural disaster may result in disruptions in distribution channels or supply chains and significant increases in prices for raw materials or material components used for the Group's manufacturing process. There is increasing concern that climate change is occurring and could have dramatic effects on human activity without aggressive remediation steps. A modest but sustained change in average global temperatures, for example, might lead not only to rising coastal tides and consequent flooding, but also to an increase in the frequency or intensity of weather-related natural disasters generally. The Group cannot predict the economic impact, if any, of natural disasters or climate change.

Adverse weather conditions, acts of nature, epidemics and natural and other disasters could have a material adverse effect on the Group's business, financial condition and results of operations.

Security breaches and other disruptions could compromise the Group's information and expose it to liability, which could have a material adverse effect on its business and reputation.

In the ordinary course of its business, the Group collects and stores sensitive data, including its proprietary business information and that of its customers, suppliers and business partners, as well as personal information of its customers and employees, in its data centers and on its networks. The secure processing, maintenance and transmission of this information is critical to the Group's operations and business strategy. Despite its security measures, the Group's IT and infrastructure may be vulnerable to malicious attacks or breaches due to employee error, malfeasance or other disruptions, including as a result of rollouts of new systems. Any such breach or operational failure could compromise the Group's network security and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings and/or regulatory penalties, disrupt the Group's operations and/or cause a loss of confidence in the Group's products and services, which could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group is subject to political and societal risk, particularly in emerging markets.

The Group faces risks in connection with its exposure to political and social turmoil in the countries in which it or its customers operate, particularly in emerging markets. Such turmoil may negatively impact customer demand for the Group's products and services or may adversely impact the Group's ability to operate within such jurisdictions. Examples of political and social turmoil that may affect the Group or its customers include, but are not limited to: nationalization, capital restrictions, terrorist activity, war, threats of war or terrorist activity, regime change, general social unrest and the corresponding heightened travel security measures instituted in response to such events, as well as geopolitical uncertainty and international conflict and tension. Any such events could affect the progress of construction or industrial projects, general economic development and consumer confidence. In turn, this could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Group may not have an adequate contingency plan or have recovery capabilities in place to deal with a major incident or crisis. As a result, its operational continuity may be affected, which could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group is exposed to risks related to the legal system in China as well as political and economic policies of the Chinese government.

The Group has manufacturing and sourcing operations in China and is subject to general Chinese laws and regulations. The Chinese legal system continues to evolve rapidly and the interpretation of many laws and regulations entails uncertainties that may limit the protection available to foreign investors. It is not always possible to predict the interpretation of relevant laws and regulations due to the lack of detailed implementation rules issued by government authorities. Some government authorities (including local government authorities) may not consistently apply rules and regulations issued either by themselves or other Chinese government authorities, thereby rendering strict compliance either impractical or, in some cases, impossible. In China, resorting to administrative and court proceedings to enforce legal protection granted by law or to enforce contractual rights may not always be successful. Administrative authorities and courts have significant discretion in interpreting and implementing statutory and contractual terms. It is, therefore, more difficult to assess the outcome of any proceedings and the level of protection that is available than it may be in other legal systems.

In addition, economic, political and legal developments in China may significantly affect the Group's business, financial condition and results of operations. In many respects, the Chinese economy differs from those of other countries, including the degree of government involvement, the level of development, growth rate, control of foreign exchange, access to financing and allocation of resources. While the Chinese economy has grown significantly in the past two decades, the growth has been uneven, both geographically and among various economic sectors. The Chinese government has implemented various measures to foster and guide economic growth and the allocation of resources. While certain of these measures have benefited the overall Chinese economy, they may also negatively impact the Group. For example, the Group's business, financial condition and results of operations may be adversely affected by government control over applicable capital investments or changes in tax regulations that are applicable to the Group.

A substantial portion of the productive assets in China is owned by the Chinese government. The Chinese government's control of these assets and other aspects of the national economy could materially and adversely affect the Group's business. The Chinese government exercises significant control over China's economic growth through its allocation of resources. In addition to controlling payment of foreign currency-denominated obligations, the government sets monetary policy and may provide preferential treatment to particular industries and companies. Over the course of recent years, the Chinese government has implemented a number of measures, such as raising bank reserves against deposit rates in order to decrease the growth rate of specific sectors of China's economy that the government believed to be overheating. This action placed additional limitations on the ability of commercial banks to make loans and raise interest rates. Such actions, as well as other Chinese policies, may materially and adversely affect the Group's ability to operate its business in the region and, therefore, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business depends significantly on its management team's continuing services and its ability to attract and maintain a skilled labor force, and the Group's business could be severely disrupted if the Group was to lose the services of its management or other key personnel.

The Group depends significantly on the continued services of its management team. The Group's ability to retain and attract other skilled professionals, including the members of its research and development, manufacturing, marketing and sales and After Sales services teams, is also crucial to the Group's future success. Particularly, the Group may face difficulties finding and attracting a skilled labor force for its operations in China. The Group's domestic and international competitors, and companies in the industries related to its industry, compete with the Group for personnel. Competition for such skilled labor is intense and may require the Group to offer higher compensation and other benefits in order to attract and retain employees, which could materially and adversely affect the Group's business, financial condition and results of operations. The Group may be unable to attract or retain the personnel required to achieve its business objectives and the failure to do so could severely disrupt its business and prospects. In addition, as the process of hiring and training qualified personnel is often costly in terms of time and money, if the Group's recruitment and retention efforts are unsuccessful, qualified personnel may not be integrated into the workforce in a timely manner to meet the Group's needs.

Furthermore, the Group does not have a key man insurance for members of its management team or any of its other key personnel. If the Group loses the services of any member of its senior management and/or key personnel, it may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt its business and prospects. In addition, some of the Group's key employees, including some members of its senior management team, are not bound by non-competition employment agreement terms. If any member of the Group's senior management and/or other key personnel joins a competitor or establishes a competing company, the Group may lose some of its intellectual property or customers, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business could be adversely affected by any significant disruption in relations with its employees.

In the first quarter of 2015, the Group had an average of 1,072 full-time equivalent employees in Europe, North and South America, Asia and the Middle East (including Africa). In some jurisdictions, such as Sweden, the United Kingdom and China, the Group's employees are unionized or represented by works councils that are covered by collective bargaining agreements. If the Group is unable to negotiate acceptable contracts with the unions or works councils, it could result in, among other things, strikes, work stoppages or other slowdowns by the affected employees and increased operating costs as a result of higher wages or benefits paid to the Group's employees. If the Group's employees were to engage in a strike, work stoppage or other slowdown, or other employees were to become unionized, the Group could experience a significant disruption of its operations and higher ongoing labor costs, which could have a material adverse effect on the Group's reputation, as well as its business, financial condition and results of operations.

The Group may be affected by increasingly rigorous scrutiny of transactions by tax authorities and could be subject to tax risks attributable to previous tax assessment periods.

The Group conducts its operations through companies in a number of countries. Transactions between Group companies are made according to the Group's understanding or interpretation of current tax laws, tax treaties, other tax law stipulations and the requirements of the tax authorities concerned. Further, the tax authorities of the countries concerned could make assessments and take decisions which deviate from the Group's understanding or interpretation of the abovementioned laws, treaties and other regulations. For example, the Group has been involved in discussions with the Swedish Tax Agency regarding credit of Australian withholding taxes levied on the royalties paid by the Group's Australian subsidiary. The withholding tax at issue totals approximately SEK 1.5 million per year. The Swedish Tax Agency and also the Administrative Court have ruled that no credit is available, arguing that the payment is not a royalty payment as defined under Swedish law and the Australian Swedish tax treaty.

The companies belonging to the Group engage in cross-border transactions involving supplies and services in respect of affiliated Group entities. Due to these cross-border transactions, the Group is exposed to taxation risks, in particular with regard to transfer pricing rules that apply in several jurisdictions. Prior to 2014, the prices between the intra-group manufacturers and the Group's own sales offices had been set based on discount levels applicable for the specific market, with similar rebate levels applying towards third-party distributors. Starting with 2014, the Group implemented a new transfer pricing policy, pursuant to which the Group's own sales offices must report arm's length operating margins. To the extent that the Group is found to have not complied with applicable transfer pricing rules, including the arm's length principle applicable within the scope of such rules, the Group could be subject to additional tax payments, plus interest and penalties.

The Group's tax position, both for previous years and the present year, may change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations. Such decisions or changes, possibly retroactive, could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group's insurance coverage could prove inadequate to cover all the risks the Group might face.

The Group maintains comprehensive third-party insurance at the Group level as well as at the local level, depending on availability, with coverage against various risks arising from business interruption, liability and property loss. Risks insured include business interruption, product liability, property damage, workers' compensation and others. While the risks are insured up to levels considered economically reasonable by management, the Group's insurance coverage could prove insufficient in individual cases. Furthermore, there are certain types of losses that generally are not insured because they are either considered uninsurable or excluded in the relevant insurance policies. These include, for example, property losses occasioned by war or terrorism or professional/personal liability claims where there has been dishonesty, intention or criminal acts.

In addition, the Group cannot give any assurance that insurance will continue to be available on economically reasonable terms or that its insurers will not require the Group to increase its premium. The realization of any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the potential risk of goodwill impairment.

As of December 31, 2014, goodwill on the Group's consolidated balance sheet amounted to SEK 1,702.4 million, mainly resulting from Triton's acquisition of the Group in 2008. The Group carries out examinations of impairment needs of its goodwill items annually or more frequently if there is a need. Goodwill may be impaired if the Group determines that the fair market value of an asset is lower than its carried value due to changes in circumstances. The process of testing goodwill for impairment involves numerous judgments, assumptions and estimates made by management which inherently reflect a high degree of uncertainty. If an impairment of goodwill was deemed to exist, the Group would be required to write down its goodwill, resulting in a charge against operations. Accordingly, any determination of impairment of goodwill could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Offer and the Offer Shares

The Principal Owners will retain a significant interest in and will continue to exert substantial influence over the Group following the Offering and their interests may differ from or conflict with those of other shareholders.

Assuming that Apolus Holding AB will hold 39,665,736 shares in the Company immediately prior to the Offering (after the shareholder loans held by Apolus Holding AB are set-off against shares in the Company), after the Offering, the Principal owners, indirectly through Apolus Holding AB, will own 46.5% of the shares in the Company assuming that the size of the Offering is not increased and the Over-allotment Option is not exercised, 37.5% assuming that the size of the Offering is increased in full and the Over-allotment Option is not exercised and 29.4% assuming that the size of the Offering is increased in full and the Over-allotment Option is exercised in full.

As a result, the Principal Owners will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. The interests of the Principal Owners may not always be aligned with those of other shareholders of the Company. In particular, the Principal Owners may hold interests in, or may make acquisitions of or investments in, other businesses that may be, or may become, competitors of the Group.

Future sales, or the possibility for future sales, including by the Principal Owners, of substantial numbers of the Company's shares could affect the Offer Shares' market price.

The Group cannot predict what effect, if any, future sales of the Company's shares, or the availability of the Company's shares for future sales, will have on the market price of the Offer Shares. Sales, or the possibility of sales, of substantial numbers of the Company's shares in the public market following the Offering, including by Apolus Holding AB, which will (assuming that Apolus Holding AB holds 39,665,736 shares in the Company immediately prior to the Offering after the shareholder loans held by Apolus Holding AB are set-off against shares in the Company) after the Offering own 46.5% of the shares in the Company assuming that the size of the Offering is not increased and the Over-allotment Option is not exercised, 37.5% assuming that the size of the Offering is increased in full and the Over-allotment Option is not exercised and 29.4% assuming that the size of the Offering is increased in full and the Over-allotment Option is exercised in full, could adversely affect the market price of the Offer Shares, making it more difficult for holders to sell their shares in the Company or the Company to sell equity securities in the future at a time and price that they deem appropriate.

Certain members of shareholder employees of the Company are subject to lock-up restrictions concerning the transfer of the Company's shares for a period of 12 months (or in the case of the Principal Owners, six months) following the first official day of trading in the Offer Shares. After the lock-up restrictions expire, the Company is unable to predict whether substantial amounts of the Company's shares will be sold by such shareholders in the open market. The Offer Share price could fall substantially if such shareholders sell the Company's shares after the lock-up restrictions have expired or at an earlier date with the consent of the Joint Global Coordinators, or if such sales of the Company's shares are anticipated by investors.

There is no existing market for the Offer Shares and an active trading market for the Offer Shares may not develop or be sustained.

Prior to the Offering, there has been no public trading market for the Offer Shares. Although the Company has applied to Nasdaq Stockholm for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Offer Shares will develop or, if developed, could be sustained following the Offering. If an active trading market is not developed or maintained, the liquidity and trading price of the Offer Shares could be adversely affected.

The Offering may not be completed for various reasons.

Pursuant to the terms of the Placing Agreement, the Managers may terminate the Placing Agreement under certain circumstances, even after the commencement of trading in the Offer Shares, up to delivery and payment. In such an event, the Offering becomes void and any Offer Share trades effected before the final settlement will not be honored.

Future issuances of shares or other securities in the Group may dilute the holdings of shareholders and could affect the price of the Offer Shares.

The Company may in the future decide to offer additional shares or other securities in order to finance new capital-intensive projects or acquisitions, in connection with unanticipated liabilities or expenses, to create any share incentive or share option plan or for any other purpose. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Offer Shares as well as the earnings per share and the net asset value per share of the Company, and any such offering by the Company could have an adverse effect on the market price of the Offer Shares.

The Offer Shares may be subject to market price volatility and the market price of the Offer Shares may decline disproportionately in response to developments that are unrelated to the Group's operating performance.

The Offer Price is not indicative of the market price of the Offer Shares following the Offering. The market price of the Offer Shares may be volatile and subject to wide fluctuations. The market price of the Offer Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these risk factors, as well as period-to-period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company or its subsidiaries in the press or the investment community, unfavorable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions and regulatory changes. Any or all of these factors could result in material fluctuations in the price of the Offer Shares, which could lead to investors losing all or part of their investment.

Shareholders in the United States and other jurisdictions may not be able to participate in future equity offerings.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. If the Company issues new shares in a cash issue, shareholders will, as a general rule, have preferential rights to subscribe for new shares in proportion to the number of shares held prior to the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise make participation difficult or limited. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the shares and any other securities that are offered and sold are registered under the U.S. Securities Act, as amended, or the shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable U.S. or other shareholders to exercise their pre-emption rights or, if available, that the Company would utilize any such exemption.

Cornerstone Investors may not fulfil their undertakings

The Cornerstone Investors have agreed to, directly or indirectly, acquire at the final Offer Price a number of Offer Shares equivalent to: (i) 5.95% of the total number of the Offer Shares sold by the Principal Owners; (ii) 7.0% of the total number of shares in the Company after the Offering (calculated after full dilution); and (iii) 5.0% of the total number of shares in the Company after the Offering (calculated after full dilution). The Cornerstone Investors' undertakings are conditional on, among other things: (i) completed listing of the Offer Shares such that the first day of trading in the Company's shares occurs no later than June 30, 2015; (ii) the Offer Price not exceeding SEK 95 (i.e., the high-end of the Price Range); (iii) the Company achieving a free float of at least 40% of the Company's share capital following the Offering (calculated after full dilution) and (iv) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire their Offer Shares. In addition, the Cornerstone Investors' undertakings have not been secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the Offer Shares for the Cornerstone Investors may not occur in connection with the closing of the Offering as anticipated, which could have an adverse effect on the completion of the Offering.

In addition, the Cornerstone Investors' shares will not be subject to any formal lock-up arrangement, implying that it is possible that any Cornerstone Investor may divest part or all of its shareholding at any time. Any sales of substantial amount of the Company's shares could cause the market price of the Company's shares to decline.

The Company's ability to pay dividends in the future may be constrained and depends on several factors.

If declared by a shareholders' meeting, the Company's shareholders will be entitled to receive future dividends, including any dividends declared in respect of the year beginning January 1, 2015, and in respect of any subsequent period. Swedish law limits the Company's ability to propose and declare dividends to certain funds legally available for that purpose. Moreover, the Company relies on its operating subsidiaries to generate the funds necessary to distribute the funds up to the Company. As the amount of future dividend payments the Company may make, if any, will depend upon its future earnings, financial condition, cash flow, working capital requirements and other factors, there can be no assurances that in any given year a dividend will be proposed or declared.

Overseas shareholders may be subject to exchange rate risk.

The Offer Shares are, and any dividends to be paid in respect of them will be, denominated in Swedish kronor. An investment in Offer Shares by an investor whose principal currency is not the Swedish krona exposes the investor to foreign currency exchange rate risk. Any depreciation of the Swedish krona in relation to such foreign currency will reduce the value of the investment in the Offer Shares or any dividends in foreign currency terms.

The Company will incur increased costs as a result of being a publicly traded company.

As a publicly traded company with its shares listed on Nasdaq Stockholm, the Company will be required to comply with the exchange's reporting and disclosure requirements and with corporate governance requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations, including hiring additional personnel. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition and results of operations.

FORWARD-LOOKING STATEMENTS

The Prospectus contains various forward-looking statements that reflect the Group Management's (as defined below) current views with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might" or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in the Prospectus, including, without limitation, in the sections entitled "*Summary*", "*Risk Factors*", "*Business*", "*Market Overview*", and "*Operational and Financial Review*" and include, among other things, statements relating to:

- the expectations regarding the development of the Company's end markets, in particular the oil and gas and construction sectors;
- the Group's strategy, outlook and growth prospects;
- the Group's operational and financial targets and dividend policy, in particular those set forth under "*Business – Financial Targets*";
- the Group's liquidity, capital resources and capital expenditure;
- the Group's planned investments and/or acquisitions;
- the expectations as to future growth in demand for the Group's products and services, in particular the demand for the Group's mid-market hoist in mature and emerging markets and the growth targeted for all of its business areas;
- the impact of laws and regulations on the Company and its operations, including compliance with applicable permits and licenses;
- the impact of changes in tax regulations, to which the Company is subject;
- the competitive environment in which the Company operates; and
- the outcome of legal proceedings.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others:

- the performance of the global economic and financial markets and/or the cyclicality of the end markets in which the Company operates;
- the competition in the markets in which the Company operates, which could reduce its revenue and/or put continued pressure on its sales prices;
- the Company's ability to implement its strategic initiatives in relation to its mid-market segment products and its After Sales business area;
- the Company's ability to maintain high standards in production and meet evolving customer requirements;
- the adverse effect of disruptions or damages to the Company's production facilities;
- increases in the prices of certain production components;
- the performance of the Company's suppliers for certain components;
- the Company's ability to implement cost reduction initiatives, structural measures and reorganization projects;
- the Company's ability to manage its relationships with distributors;
- dependence on the credit position of its customers and other financial counterparties;
- the Company's ability to maintain and manage its inventory levels;
- the Company's ability to maintain a safe working environment;

- dependence on the strong reputation and success of its brands;
- reliance on IT systems and networks;
- the Company's dependence on permits, licenses, authorizations and third-party certifications;
- the Company's compliance with regulations, including tax, environmental and health and safety regulations;
- the Company's exposure to foreign exchange rate movements and the Company's ability to fund its pension obligations;
- the Company's exposure to interest rate movements;
- the adverse effect of weather conditions, acts of nature, epidemics and other disasters;
- dependence on the management team and other key employees;
- strikes and other labor disputes;
- liquidity and credit risk; and
- other factors referred to in the Prospectus.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

These forward-looking statements speak only as of the date of the Prospectus. The Company expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

INVITATION TO ACQUIRE SHARES IN ALIMAK GROUP AB

The Board of Directors and the Company's shareholders have decided to seek a listing of the Company's shares on Nasdaq Stockholm and, in connection therewith, to broaden the Company's shareholder base by conducting a public offering in Sweden and an institutional offering in Sweden and internationally, including a private placement in the United States in reliance on Rule 144A of the U.S. Securities Act.

The Offering comprises up to 19,800,000 Existing Shares corresponding to 45.0% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range. The Principal Owners have reserved the right to increase the Offering by up to 3,930,000 Additional Shares, corresponding to 8.9% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. In addition, the Principal Owners have granted the Managers an Over-allotment Option to purchase up to 3,559,500 Optional Shares at the Offer Price, corresponding to 8.1% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint in the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. For additional information regarding the Principal Owners and the number of Offer Shares they will sell pursuant to the Offering, see "*Share Capital and Ownership Structure*". For further information regarding the Over-allotment Option, see "*Terms, Conditions and Instructions — Over-allotment Option*".

The final Offer Price of the Offer Shares will be determined through a book building process. The final price per share is expected to be set within the range of SEK 80-95 per Offer Share by Principal Owners in consultation with the Joint Global Coordinators. The Offer Price to the general public in Sweden will not exceed SEK 95 per Offer Share. The factors that will be considered in such determination include, among others, the orders, in terms of price and quantity, received from institutional investors, prevailing market conditions, the Company's historical performance, estimates of the Company's business potential and earnings prospects, and the market valuation of publicly traded comparable companies. The final Offer Price is expected to be announced on June 17, 2015. The first day of trading in, and the official listing of, the Offer Shares is expected to be on June 17, 2015.

The Company's costs associated with the Offering and the listing are expected to amount to approximately SEK 40.0 million. The Company will not receive any portion of the proceeds from the sale of the Offer Shares in the Offering.

Investors are hereby invited to acquire up to 19,800,000 Offer Shares in the Company in accordance with the terms and conditions stated in the Prospectus, corresponding to 45.0% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015[10]. The Principal Owners have reserved the right to increase the Offering by up to 3,930,000 Additional Shares, corresponding to 8.9% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range. In order to cover over-allotment, if any, in connection with the Offering, the Principal Owners have undertaken to, at the request of the Managers, sell additional shares corresponding to maximum 15% of the aggregate number of Existing Shares and Additional Shares, whereby a maximum of 3,559,500 Optional Shares corresponding to 8.1% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint in the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. If the Principal Owners make full use of the right to increase the Offering and the Over-allotment Option is fully exercised, the Offering will correspond to 62.1% of the total number of shares in the Company, or 27,289,500 shares, assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015.

10 The actual number of Offer Shares will be based on the Offer Price since the Offer Price will affect the number of shares to be issued in connection with the set-off issue against the shareholder loans held by Apolus Holding AB which is expected to occur on June 17, 2015 as further described under "*Share Capital and Ownership — Conversion of Shareholder Loans*".

Based on the abovementioned Offer Price Range, the total value of the Offering would amount to a minimum of approximately SEK 1,584 million and a maximum of approximately SEK 1,881 million. If the Offering is increased in full, the total value of the Offering would amount to a minimum of approximately SEK 2,183 million and a maximum of approximately SEK 2,593 million, assuming the Over-allotment Option is exercised in full.

The Cornerstone Investors have agreed to, directly or indirectly, in aggregate, acquire at the final Offer Price a number of Offer Shares as set out below:

- Peder Pråhl, the founder of Triton, has agreed to acquire (directly or through a controlled entity) in the Offering 5.95% of the total number of the Offer Shares sold by the Principal Owners in order to maintain his existing indirect economic interest in the Company;
- Lannebo Fonder AB has agreed to acquire a number of shares equal to 7.0% of the total number of shares in the Company after the Offering (calculated after full dilution); and
- Swedbank Robur Fonder AB (on behalf of its investment funds) has agreed to acquire a number of shares equal to 5.0% of the total number of shares in the Company after the Offering (calculated after full dilution).

Each Cornerstone Investor's commitment is subject to, among other things: (i) completed listing of the Offer Shares such that the first day of trading in the Company's shares occurs no later than June 30, 2015; (ii) the Offer Price not exceeding SEK 95 (i.e., the high-end of the Price Range); (iii) the Company achieving a free float of at least 40% of the Company's share capital following the Offering (calculated after full dilution) and (iv) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment.

Stockholm June 3, 2015	Stockholm June 3, 2015	Stockholm June 3, 2015
Alimak Group AB (publ)	**Triton**	**Apolus Holding AB**

BACKGROUND AND REASONS

After many years under private ownership, the Company's shareholders and Board of Directors believe that it is now an appropriate time to broaden the Company's shareholder base and to apply for the listing of the shares on Nasdaq Stockholm.

The Company expects to benefit from access to the Swedish and international capital markets as a result of the listing and expects that the listing of the Offer Shares on Nasdaq Stockholm will increase the public profile of the Company and its business. The Company believes that both of these factors will further enhance its position in the global market and provide the appropriate platform for its future development. For these reasons, the Board of Directors seeks a listing of the Company's shares on Nasdaq Stockholm.

Upon completion of the Offering, the Principal Owners will continue to own beneficially between approximately 29.4-46.5% of the shares in the Company, depending on the Offer Price, whether the Offering is fully subscribed for, if the Over-allotment Option is exercised and if the Offering is increased in full. The Principal Owners will agree not to divest their remaining shares for a period of six months, subject to certain exceptions, after the first day of trading. See "*Share Capital and Ownership Structure – Lock-up Arrangements"*.

The Company will not receive any portion of the proceeds from the sale of the Offer Shares in the Offering.

For further information, refer to the contents of the Prospectus, which has been prepared by the Board of Directors of Alimak Group AB for the application to admit the Company's shares to trading on Nasdaq Stockholm and the Offering submitted in conjunction with this application.

The Board of Directors of Alimak Group AB is responsible for the contents of the Prospectus. Assurance is hereby given that the Board of Directors has undertaken all reasonable measures to ensure that, to the Board of Directors' knowledge, the information in the Prospectus complies with the actual circumstances and that no information has been omitted that could affect its meaning.

Stockholm June 3, 2015
Alimak Group AB (publ)
The Board of Directors

TERMS, CONDITIONS AND INSTRUCTIONS

The Offering

The Offering comprises up to 19,800,000 Existing Shares offered for sale by the Principal Owners and certain shareholder employees of the Company, representing approximately 45.0% of the total number of shares in the Company, assuming a price per Offer Share corresponding to the midpoint of the Offer Price Range, and is divided into two parts:

- The offering to the general public in Sweden[13]
- The offering to institutional investors in Sweden and internationally[14]

The outcome of the Offering will be published through a press release on or about June 17, 2015.

Increase of the offering

At the discretion of the Principal Owners, the total number of Existing Shares sold by the Principal Owners in the Offering may be increased by up to 3,930,000 Additional Shares.

Over-allotment Option

The Principal Owners have granted the Managers an option, exercisable within 30 calendar days after the first day of trading in the Company's shares on Nasdaq Stockholm, which is expected to occur on June 17, 2015, pursuant to which the Managers may require the Principal Owners to sell up to 3,559,500 Optional Shares, corresponding to 15% of the aggregate number of Existing Shares and Additional Shares, assuming that the Offering is increased in full.

Allotment of Shares

The allotment of Offer Shares for each part of the Offering will be based on demand. The allotment will be determined by the Principal Owners in consultation with the Joint Global Coordinators.

Book-Building Procedure

To achieve market-based pricing of the Offer Shares in the Offering, institutional investors will be afforded the opportunity to participate in a form of book-building process by submitting expressions of interest. The book-building process will take place during June 5 – June 16, 2015. The Offer Price will be determined through this process. The book-building process for institutional investors may be terminated earlier. Announcement of such possible termination will be made through press release via one or more international news agencies. See further under the heading "*Application – The Institutional Offering*".

The Offer Price

The Offer Price Range is expected to be set within the range of SEK 80-95 per Offer Share and has been set by the Principal Owners in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors. However, the Offer Price to the general public will not exceed SEK 95 per Offer Share. No brokerage commission will be charged. The finally determined Offer Price will be announced through press release on or about June 17, 2015.

Application

The Offering to the General Public in Sweden

Applications for acquisition of Offer Shares within the terms of the Offering to the general public should be made during the period June 5 – June 15, 2015 and relate to a minimum of 100 Offer Shares[15] and a maximum of 10,000 Offer Shares in even lots of 50 Offer Shares each. Application can be made

13 The offering to the general public refers to the offer of Offer Shares to private individuals and legal entities who subscribe for a maximum of 10,000 Offer Shares.

14 The offering to institutional investors refers to private individuals and legal entities who subscribe for more than 10,000 Offer Shares.

15 Parties who subscribe for more than 10,000 Offer Shares must contact SEB in accordance with the information set out in the section "*Application – The Institutional Offer*".

through SEB's internet bank or by using the special application form that can be obtained at SEB's offices or can be ordered from Alimak Group AB or from Avanza, see further below. Application forms are available on Alimak Group AB's website (www.alimakgroup.com) and SEB's website specially arranged for prospectuses (www.sebgroup.com/prospectus).

The application must have been received by SEB no later than June 15, 2015, by 17:00 (CET). Note that certain bank offices close before 17:00 (CET). Applications received late, as well as incomplete or incorrectly filled-in application forms, may be discarded. No amendments or additions may be made to pre-printed text. Only one application per person may be made and only the application that SEB registers first will be considered. Note that the application is binding.

Applicants applying to acquire Offer Shares must have a securities account, a service account, a securities depository account with a securities institution of their choice or an investment savings account with SEB. Applicants who do not have a securities account, a service account, a securities depository account with a securities institution of their choice or an investment savings account with SEB, must open such an account prior to submission of the application form. Please note that it may take some time to open a securities account, a service account, a securities depository account or an investment savings account.

Applicants with a securities depository account or an investment savings account with specific rules on securities transactions, such as endowment insurance, must check with the bank or institution managing the account, or providing the insurance, if acquisition of Offer Shares within the terms of the Offering is possible. Note that the application must be submitted via the bank or institution with the account.

Applicants must also have a bank account with SEB. If the Offer Shares are to be registered in a securities depository account, a service account or a depository account in an institution that is not SEB, a bank account with SEB must be specified. The account with SEB must be a *Privatkonto*, *Enkla Sparkontot*, *Företagskonto* or *Enkla sparkontot företag*. No bank account must be specified for a depository account or an investment savings account with SEB.

Only one account may be specified for payment and the account holder must be the same person applying for the acquisition of Offer Shares. In connection with the acquisition of Offer Shares that are to be registered in an investment savings account, payment must always be made using the funds available in the investment savings account. Customers of SEB's internet bank that have a so-called Digipass, BankID or Mobilt BankID can also apply via SEB's internet bank. Instructions for participating in the Offering via SEB's internet bank are available on www.seb.se.

In other respects, the application shall be made using the specific application form and handed in at one of SEB's offices in Sweden or sent by post to:

SEB
Emissioner R B6
SE-106 40 Stockholm

The balance on the bank account with SEB or the securities depository account or the investment savings account with SEB stated on the application form must correspond to not less than the amount referred to in the application, calculated on the basis of the maximum price in the Offer Price Range, for the period from 00:00 CET on 16 June, 2015 until 24:00 CET on June 22, 2015. Accordingly, the funds must be available in or deposited in the specified bank account, securities depository account or investment savings account no later than on June 15, 2015 to ensure that the necessary amount is available in the stated bank account, securities depository account or investment savings account. This means that the account holder undertakes to keep this amount available in the specified account, securities depository account or investment savings account for the aforementioned period and that the holder is aware that no allotment of Offer Shares will take place if the amount is insufficient during this period. Note that the amount may not be withdrawn during the stated period.

As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive allotment. Funds which are not available will also give the right to interest during the specified period in accordance with the terms and conditions of the account, securities depository account or investment savings account specified in the application.

For SEB customers with an investment savings account, SEB will, if the application results in allotment, acquire the corresponding number of Offer Shares for further sale to the customer at the Offer Price.

Securities depository account and internet customers of Avanza should apply via Avanza's internet service. Instructions are available on www.avanza.se. Applications via Avanza's internet service can be made from June 5, 2015 until June 15, 2015 at 17:00 CET.

The Institutional Offering

Institutional investors in Sweden and internationally are afforded the right to participate in a book-building process from June 5, 2015 to June 16, 2015. Applications from institutional investors in Sweden and internationally shall be submitted to SEB Equities (+46 (0)8 522 295 00), Citi (in accordance with specific instructions), or Carnegie (in accordance with specific instructions).

Allotment

Decision on allotment of Offer Shares is made by the Principal Owners in consultation with the Joint Global Coordinators, whereby the goal is to achieve a good institutional ownership base and a broad distribution of Offer Shares among the general public in Sweden, in order to facilitate a regular and liquid trading in the Offer Shares on Nasdaq Stockholm. The allotment does not depend on when the application is submitted during the application period. Only one application per person will be considered. However, the Cornerstone Investors, having undertaken to acquire shares in the Offering, will be given priority in relation to other investors up to the full amount of Offer Shares which they have undertaken to acquire.

The Offering to the General Public in Sweden

In the event of oversubscription, allotment may take place with a lower number of Offer Shares than the application concerns, at which allotment may wholly or partly be made by random selection. Allotment to those persons receiving Offer Shares will occur, in the first place, so that a certain number of Offer Shares is allotted per application. In addition thereto, allotment takes place with a certain (the same for all) percentage share of the excess number of Offer Shares that the application concerns and will only take place in even lots of 50 Offer Shares. Note that to qualify for allotment, the balance of the bank account, securities depository account or investment savings account with SEB stated on the application form must correspond to not less than the amount referred to in the application, calculated on the basis of the maximum price in the Offer Price Range. In addition, certain related parties to Alimak Group AB as well as customers of SEB and Avanza may be considered separately during allotment. Allotment may also be made to employees of the Managers, however, without prioritizing them. In such cases, the allotment takes place in accordance with the rules of the Swedish Securities Dealers Association and the SFSA's regulations.

The Institutional Offering

Decision on the allotment of Offer Shares within the framework of the Offering to institutional investors in Sweden and internationally will, as mentioned above, be made with the aim of achieving a good institutional ownership base for Alimak Group AB. Allotment among institutions that have submitted expressions of interest will be made on a wholly discretionary basis.

Information regarding allotment and settlement

The Offering to the General Public

Allotment is expected to take place on or about June 17, 2015. Shortly thereafter, a contract note will be sent to those that have received allotment in the Offering. Those persons who have not been allotted Offer Shares will not be notified. Information about allotment is also expected to be provided from 09:00 CET on June 17, 2015 via telephone for applications received by SEB at +46 (0)8 639 27 50 alternatively via SEB's internet bank. To receive information regarding allotment the following information must be provided: name, personal identity number/corporate registration number, securities account, service account, securities depository account or investment savings account number with the bank or securities institution. Acquired and allotted Offer Shares will be debited in accordance with instructions on the contract note. Payment will be deducted from the bank account stated on the application form on or about June 18, 2015 and from the specified securities depository account and from the investment savings account, respectively, on or about June 22, 2015.

Payment for Offer Shares Allotted through Avanza

Securities depository account customers with Avanza are expected to have their allocated, but not paid, Offer Shares available on their securities depository account on June 17, 2015. Liquid funds for payment of allotted Offer Shares shall be available in the account from June 15, 2015 at 17:00 CET up until and including the settlement date on June 22, 2015 at 23:59 CET.

Insufficient or Incorrect Payment

If sufficient funds are not available on the bank account, securities depository account or investment savings account on the settlement date or if full payment is not made in due time, allotted Offer Shares may be transferred and sold to another party. The party who initially received allotment of the Offer Shares in the Offering will bear the difference should the selling price in the event of such a transfer be less than the Offer Price.

The Institutional Offering

Institutional investors are expected to receive information regarding allotment in a particular order about June 17, 2015, after which contract notes will be distributed. Full payment for allotted Offer Shares shall be made in cash no later than June 22, 2015. Note that if full payment is not made in due time, the allotted Offer Shares may be transferred and sold to another party. The party who initially received allotment of the Offer Shares in the Offering will bear the difference should the selling price in the event of such a transfer be less than the Offer Price.

Registration and Recognition of Allotted and Paid-up Offer Shares

Registration with Euroclear Sweden AB ("**Euroclear Sweden**") of allotted and paid-up Offer Shares is expected to take place on or about June 22, 2015 for both institutional investors and the general public, after which Euroclear Sweden will distribute a notice stating the number of Offer Shares in Alimak Group AB that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the respective nominee.

Listing on the Stock Exchange

The Board of Directors has applied for a listing of Alimak Group AB's shares on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee decided on May 21, 2015 to admit Alimak Group AB to trading on Nasdaq Stockholm provided that the dispersion requirements in respect of the Company's shares are fulfilled. Trading is expected to begin June 17, 2015. Paid-up Offer Shares will be transferred to the securities depository account, service account, securities account or investment savings account, specified by the acquirer, following processing of the application by the Managers. The time that is required to transfer the payment and Offer Shares to such accounts as specified by the acquirer implies that the acquirer will not have such Offer Shares available in the specified securities account, service account or securities depository account until on or about June 22, 2015. The fact that Offer Shares are not available on the acquirer's securities depository account, service account, securities account or investment savings account until about June 22, 2015, could mean that the acquirer cannot sell these Offer Shares on Nasdaq Stockholm on the day the trading in the Offer Shares commences, i.e. on or about June 17, 2015, but at the earliest when the Offer Shares are available on the securities depository account, service account, securities account or investment savings account. Moreover, trading will commence before the terms and conditions for the completion of the Offering have been fulfilled. Trading will be conditional on completion of the Offering and should the Offering not be completed, any Offer Shares supplied shall be returned and any payments cancelled. Trading that takes place on June 17, 2015 is expected to occur with delivery and settlement on June 22, 2015.

In connection with the Offering, the Joint Global Coordinators may carry out transactions on Nasdaq Stockholm with a view to stabilizing the market price of the shares or maintain the price at a level that deviates from what would otherwise prevail in the market. For further information, see "*Legal Considerations and Supplementary Information – Stabilization*".

Announcement of the outcome of the Offering

The final outcome of the Offering will be announced through a press release which will be available on Alimak Group AB's website, www.alimakgroup.com, on or about June 17, 2015.

Right to Dividend

For acquirers, the shares carry a right to dividend for the first time on the record date for dividend that occurs immediately after the completion of the Offering. Payment will be administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. The Board of Directors does not intend to propose any dividends to be decided by the annual general meeting to be held in 2015. For further information, see "*Business — Financial Targets — Dividend Policy.*"

Terms and Conditions for Completion of the Offering

The Principal Owners, certain shareholder employees of the Company, the Company and the Managers intend to enter into an agreement on the placing of shares in Alimak Group AB on or about June 16, 2015 (the "**Placing Agreement**"). For information regarding terms and conditions for completion of the Offering and the Placing Agreement, see "*Legal Considerations and Supplementary Information — Placing Agreement".*

Other information

The fact that SEB is acting as issuer agent does not imply that SEB regards the person that has applied for Offer Shares as a client of the bank for the investment. For the investment the acquirer is only regarded as a client of the bank if the bank has advised the acquirer about the investment or has otherwise contacted the acquirer individually about the investment or if the acquirer has applied via the bank's office or internet bank. The outcome of the bank not regarding the acquirer as a client for the investment is that the rules for protecting investors under the securities market laws will not be applied to the placement. Amongst other things, this means that neither so-called client classification nor so-called suitability assessment will be applied to the placement. As a result, acquirers are themselves responsible for having adequate experience and knowledge to understand the risks associated with an investment.

Information about Handling of Personal Information

Anyone acquiring Offer Shares will submit information to SEB. Personal information submitted to SEB will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal information obtained from sources other than the customer may also be processed. The personal information may also be processed in the data systems of companies or organizations with which SEB cooperates. Information pertaining to the treatment of personal information can be obtained from SEB's offices, which also accept requests for the correction of personal information. Address details may be obtained by SEB through an automatic procedure executed by Euroclear Sweden.

INDUSTRY AND MARKET DATA

The Group operates in a segment of the vertical access solutions market focused on rack-and-pinion and traction technologies used for industrial and construction applications, for which it is difficult to obtain precise industry and market information. In the Prospectus, the Company relies on and refers to certain economic information, information regarding its industry and information regarding the end markets in which it operates and competes. The Company has obtained this information from various third-party sources, including providers of macroeconomic and industry data. Furthermore, for the purpose of the Prospectus, the Company has commissioned and used a report prepared for it by the independent management consultancy firm Cardo Partners AS in 2015. In addition, certain information was obtained through discussions with the Group's customers and from its own internal estimates.

While the Company believes that the economic and industry reports and publications it has used are reliable, they, including the Cardo Partners estimates, 2015, have not been independently verified. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers assume responsibility for the accuracy of the information contained in them. As far as the Company is aware and able to ascertain from the information published or reported to it by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative. In addition, industry and economic publications, reports, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers assure the accuracy and completeness of such information as it has not been independently verified.

The Prospectus also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by the Company based on third-party sources and the Company's own internal estimates, including studies of the market that the Company has commissioned. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organizations and institutions. The Company believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which the Company operates as well as its position within the industry. Although the Company believes that its internal market observations are reliable, the Company's own estimates are not reviewed or verified by any external sources. While the Company is not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including but not limited to, those discussed under the heading "*Risk Factors*" in the Prospectus. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers makes any representation or warranty as to the accuracy or completeness of the industry or market data contained in the Prospectus, including information derived from the Cardo Partners estimates, 2015.

None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers intend or assume any obligations, to update industry or market data set forth in the Prospectus, except as required by law. Finally, trends in the market place tend to change. As a result, investors and prospective investors should be aware that data in the Prospectus and estimates based on that data may be an unreliable indicator of future results.

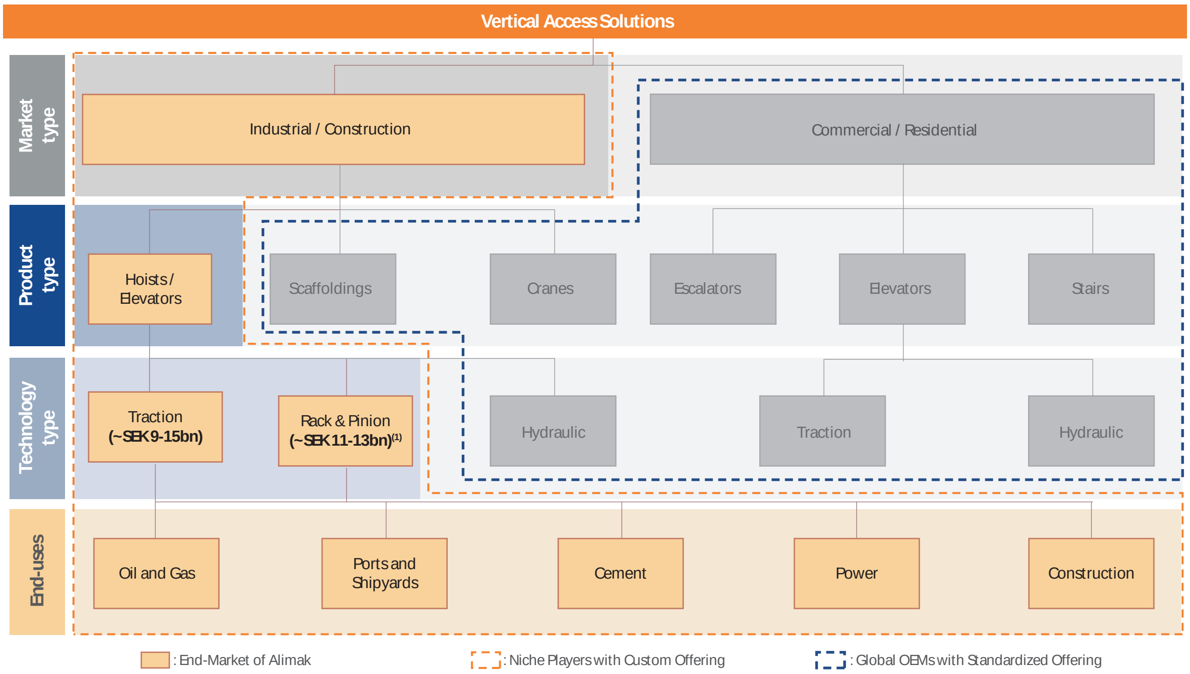
MARKET OVERVIEW

The Prospectus includes information concerning the Company's business and markets. Unless otherwise indicated, this information is based on the Company's analysis of several sources, including a market report which the Company has commissioned from the independent management consultancy firm Cardo Partners AS (referred to as "Cardo Partners estimates, 2015"). Certain statements below are based on the Group's own information, insights, opinions or estimates and own analysis, and not on any third-party or independent source; these statements contain words such as "the Group believes", "the Group estimates", "in the Group's view", and as such do not purport to cite or summarize any third-party or independent source and should not be so read.

Definition of Vertical Access Solutions

Vertical access solutions are products, such as elevators, platforms and hoists, that enable customers to safely and efficiently move workers and materials between different elevations under various conditions. Generally, the commercial and residential markets, or applications, of vertical access solutions tend to focus on escalators, elevators and stairs, while the industrial and construction markets, or applications, tend to focus on cranes, scaffoldings, elevators and hoists. Each application of vertical access solutions is designed to meet the needs of the end market in which it will be used. Such end markets include construction, where economical and transportable designs are required; oil and gas, where explosion protected designs are often used; power, where space saving designs are required; ports and shipyards, where a combination of speed and safety designs are required; and cement, where dust, humidity and heat resistant designs are required.

The diagram below shows the product offering of the vertical access solutions industry, their applications, the Group's current position within the vertical access solutions industry and the approximate size of rack-and-pinion and traction markets within industrial and construction applications:



(1) This total market estimation includes only the Group's relevant rack-and-pinion after sales and rental markets. The Group's relevant rack-and-pinion after sales market only includes after sales for the Group's rack-and-pinion installed base and its relevant rack-and-pinion rental market includes only selected countries where the Group is active on the rental market: France, Benelux, Germany and Australia.

Source: Cardo Partners estimates, 2015; Company information.

Certain key technologies are used to design appropriate vertical access solutions for specific end markets. The rack-and-pinion, traction and hydraulic technologies are the key technologies used to drive elevators and platforms for industrial and construction applications. The Group specializes in vertical access solutions for industrial and construction applications that use rack-and-pinion and traction technologies.

Rack-and-Pinion Technology

The rack-and-pinion technology is based on a gear system, in which a pinion engages the teeth on a rack resulting in a linear movement of the rack as the pinion rotates. The three main components of rack-and-pinion products are the car or platform, the drive unit and the mast. The drive unit is fitted to the car or platform, which is attached to a mast. Depending on the application area, the components are tailored by size, payload capacity, height, speed and other internal and external factors.

Vertical access solutions based on rack-and-pinion technology are often used in a variety of areas, such as construction sites, power plants, oil rigs, harbors and factories. The technology is suitable for both indoor and outdoor applications and for use in harsh environments. Rack-and-pinion features several advantages, such as not requiring a machine room or shaft, which provides for a smaller footprint, lower cost and easier installation and maintenance. Rack-and-pinion products provide the flexibility to handle curves and inclinations and are adjustable and easy to retrofit and adapt to existing building structures. They are further suitable for, among other things, complex building structures. In addition, rack-and-pinion products can be operated during power failures through the emergency lowering system.

Traction Technology

Traction technology is based on an electric motor that moves the elevator car by rolling steel hoist ropes over a drive sheave that, depending on the type of traction machine, is either attached to a gearbox driven by an electric motor or attached directly to the motor. This solution is used for mid- and high-rise applications and allows for higher travel speeds than other types of vertical access solutions. The vertical access solutions that use traction technology are used, among other things, in the offshore oil and gas end market, and, to a lesser extent, in the power, cement, ports and construction end markets. Traction elevators are well suited to outdoor and indoor installations and represent a good solution for living quarters platforms, as their use typically produces little noise.

Hydraulic Technology

Hydraulic technology uses hydraulic power to pressurize an in-ground piston that travels inside a cylinder to raise and lower a car/platform. Hydraulic elevators are typically slower than rack-and-pinion and traction elevators but may carry heavier loads. This technology is typically used in the cement end market and in other low-rise industrial applications.

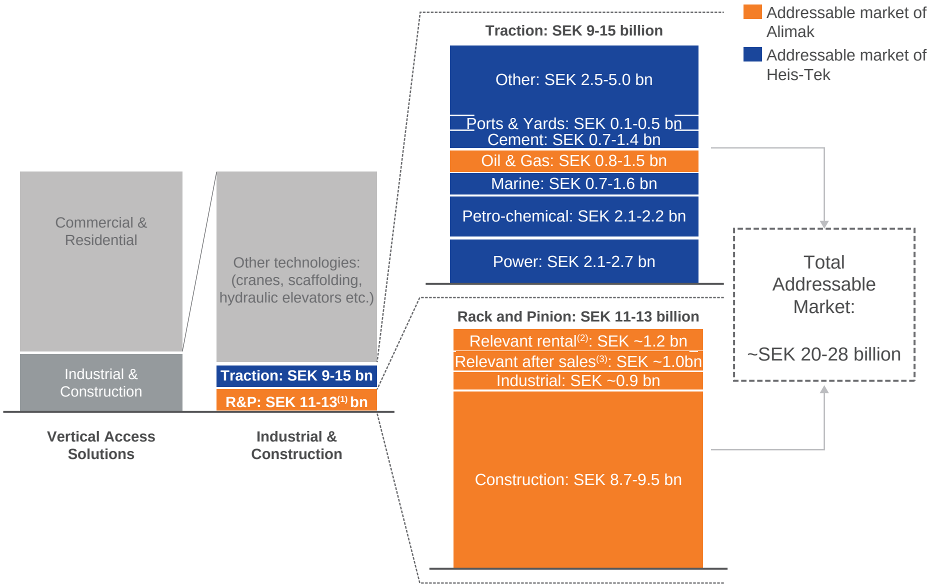
Market Size

In 2014, within the industrial and construction applications, the rack-and-pinion market addressed by the Group was estimated at SEK 11-13 billion. This total market estimation includes only the Group's relevant rack-and-pinion after sales and rental markets.[16] On the other hand, in 2014, traction technology market size within the industrial and construction applications was estimated at SEK 9-15 billion The remaining share of industrial and construction applications represents other after sales and rental markets that are not included in the Group's relevant markets as well as other vertical access solutions types and technologies, such as hydraulic technology, scaffolding and cranes.[17]

16 The Group's relevant rack-and-pinion after sales market only includes after sales for the Group's rack-and-pinion installed base and its relevant rack-and-pinion rental market includes only selected countries where the Group is active on the rental market: France, Benelux, Germany, Australia.

17 Information set out in this paragraph has been derived from Cardo Partners estimates, 2015 and the Company.

The diagram below illustrates the estimated split and approximate size of rack-and-pinion and traction markets within industrial and construction applications:



(1) This total market estimation includes only the Group's relevant rack-and-pinion after sales and rental markets.
(2) The Group's relevant rack-and-pinion rental market includes only selected countries where the Group is active on the rental market: France, Benelux, Germany and Australia.
(3) The Group's relevant rack-and-pinion after sales market only includes after sales for the Group's rack-and-pinion installed base.

Source: Cardo Partners estimates, 2015; Company information.

Market Segmentation, End Market Drivers and Trends

The rack-and-pinion market can be subdivided into four segments: industrial, construction, after sales and rental. The segments differ in their characteristics, end markets, drivers and trends. As traction technology focuses primarily on elevator production and service, only industrial and after sales market segments are relevant for traction equipment.

Industrial Market Segment

The industrial market represents the demand for permanently installed industrial elevators, which are typically placed in production facilities, oil platforms, power plants, cement plants and ports.

In 2014, the rack-and-pinion industrial market by region, as measured by revenue, was comprised of approximately 42% from Asia-Pacific, 31% from Europe, 21% from North America, 3% from Latin America and 3% from the rest of the world.[18]

Between 2007 and 2012, the revenue for new rack-and-pinion industrial elevators contracted with a 5% compound annual growth rate ("**CAGR**"), influenced, in part, by slow industrial production growth and weak macro-economic fundamentals due to the global economic and financial crisis. In 2008 and 2009, the world's aggregate industrial production declined at 0.5% and 9%, respectively, and its GDP grew by 1.4% and declined by 2%, respectively. Nevertheless, between 2012 and 2014, the market for new rack-and-pinion industrial elevators experienced a rebound at an 11% CAGR. Particularly, in the Asia-Pacific and North America, between 2012 and 2014, the revenue for new rack-and-pinion industrial market has grown at a 20% and a 5% CAGR, respectively, in comparison to 0.0% and a decline at a 13% CAGR between 2007 and 2012, respectively. This increase was partly influenced by overall positive global market developments and industrial production growth in the United States, which increased from 3.8% in 2012 to 4.3% in 2014. Between 2012 and 2014, China's industrial production continued to grow, though at a slowing pace, from 10.05% in 2012 to 8.3% in 2014, similarly to its GDP, which grew by 7.7% in 2012 and by 7.4% in 2014.[19] Environmental and safety

18 Cardo Partners estimates, 2015.
19 Revenue for new industrial and rack-and-pinion elevators: Cardo Partners estimates, 2015. Industrial production and GDP data: © Reproduced by permission of the EIU, 2015.

requirements and a trend towards automation, mechanization and urbanization, particularly in emerging markets, are expected to support overall industrial market development.

End Market Drivers and Trends

The industrial market is typically driven by its end markets. Some of the main end markets for industrial vertical access solutions include the oil and gas, ports and shipyards, power, as well as cement end markets.

Oil and Gas

The oil and gas end market is a vital market for industrial elevator offerings. In offshore projects, industrial rack-and-pinion elevators are used on drilling decks and in hull columns (platform legs), while traction elevators are used primarily in living quarter platforms. Sometimes, explosion-proof rack-and-pinion elevators are required in areas, such as drilling, where hydrocarbons could be present. In onshore projects, industrial elevators are primarily used on liquefied natural gas (LNG) tanks for maintenance purposes, in refineries and terminals and on process columns at distillers and crackers.

The market size for industrial rack-and-pinion vertical access solutions in the oil and gas end market based on revenue increased at a 1% CAGR from 2007 to 2012 and a 22% CAGR from 2012 to 2014. However, despite the strong growth in the past years, oil prices experienced decline and volatility in the second half of 2014, dropping from USD 112.3 as of July 1, 2014, to USD 66.2 as of May 18, 2015, per barrel of Brent crude. This recent decline forced the market to reassess the end market perspectives and its long-term price outlook. According to the Company's estimates, the typical order backlog for industrial elevators covers approximately six to 12 months, with some orders placed as far as two years ahead of execution, depending on the nature of the project. Thus, despite the oil price declines, the order backlog from 2014 and 2013 is expected to drive the outlook for industrial elevators in 2015.[20]

The diagram below illustrates the global offshore rig construction market size from 2012 until 2016:

Source: Ken Research, 2014.

In addition, the global long-term energy consumption by liquid fuels,[21] which is forecasted to reach 5.1 billion metric tons oil equivalent ("btoe") by 2035 and natural gas consumption, which is forecasted to reach 4.6 btoe by 2035, are expected to remain some of the long-term drivers for oil and gas demand.[22] Overall, the Group believes that with lower oil prices, the industry focus is estimated to gradually shift from offshore new-builds towards maintenance and service support for existing rigs, including refurbishments and replacements.

20 Rack-and-pinion market size in oil and gas: Cardo Partners estimates, 2015. Oil prices: Bloomberg, 2015.
21 Includes oil, biofuels, gas-to-liquids and coal-to-liquids.
22 BP Energy Outlook, 2035, 2015.

Ports and Shipyards

The market size for industrial rack-and-pinion vertical access solutions based on revenue in the ports and shipyards end market contracted at an 8% CAGR from 2007 to 2012, but recovered at a 5% CAGR from 2012 to 2014.[23] One of the important drivers of demand for vertical access solutions in the ports and shipyards end market is container crane demand.

The development in container crane demand is expected to be supported by a recovery within global trade and investments. Global container trade demand is expected to increase from 649 million twenty-foot equivalent units (teu) of lifts in 2014 to 688 million teu of lifts in 2015 and 728 million teu of lifts in 2016, growing at an estimated 6% CAGR. Ports and shipping activity is also expected to be aided by global infrastructure spending, which is estimated to reach USD 9 trillion per year by 2025, and, specifically, investments in port infrastructure, which are expected to reach USD 630 billion between 2015 and 2030.[24]

Power

In the power end market, industrial elevators are used primarily for carrying of personnel on paths along scrubbers, boilers, transmission towers and chimneys. The market size for industrial rack-and-pinion vertical access solutions based on revenue in the power sector decreased at a 14% CAGR from 2007 to 2012, but stabilized slightly between 2012 and 2014, with a considerably lower rate of decrease of 1% CAGR.[25]

Weak development in the power end market has been impacted by weak growth in mature markets, with certain offsetting effects arising from developments in emerging markets. China's long-term energy demand is still strong, with China's electricity generation expected to increase from 4,970TWh in 2013 to 5,963TWh in 2016, or at a 6.3% CAGR, driven by continuing urbanization trends. Further, the global number of coal and nuclear power plants is expected to increase from approximately 7,451 in 2014 (with approximately 7,000 coal and approximately 450 nuclear plants) to an estimated 9,355 in 2035 (with approximately 8,800 coal and approximately 590 nuclear plants). This increase is expected to be driven through addition of approximately 3,600 new coal plants and approximately 275 new nuclear plants, which would be slightly offset by the retirement of approximately 1,800 coal plants and approximately 140 nuclear plants during the period. The Group believes that the addition of approximately 3,875 new plants represent opportunities for the vertical access solutions market.[26]

Cement

In the cement end market, industrial vertical access solutions are commonly used on height structures in cement plants. From 2012 to 2014, revenue for rack-and-pinion vertical access solutions in the cement industry remained relatively stable with a modest growth of 1% CAGR.[27]

Growth in cement demand is supported by the positive global long-term construction outlook, which is driven by increasing global infrastructure investments. Infrastructure spending is forecasted to reach USD 9 trillion per year in 2025, up from USD 4 trillion in 2012. Furthermore, the cyclical recovery in the non-residential markets in the United Kingdom and the United States is also expected to support demand for cement. Globally, cement capacity increased at a 7.8% CAGR from 2007 to 2012, slowing down with 2.8% between 2012 and 2014. Going forward, this figure is expected to be around 2.7% between 2014 and 2017. In particular, cement capacity in China increased at a 8.5% CAGR between 2007 and 2012, slowing down with 1.2% from 2012 to 2014. Cement capacity in China is estimated to grow with 1.2% CAGR level from 2014 to 2017. In comparison, cement capacity in the rest of the world has increased at a 4.5% CAGR from 2007 to 2012, gradually slowing with 4.2% between 2012 and 2014. Cement capacity in the rest of the world is also expected to remain at a 4.2% CAGR level from 2014 to 2017.[28]

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23 Cardo Partners estimates, 2015.

24 Global container trade demand: Clarkson Research Services, 2015. Global infrastructure spending: PWC Report, 2014. Investments in ports: Based on data from OECD (2012), Strategic Transport Infrastructure Needs to 2030, OECD Publishing.

25 Cardo Partners estimates, 2015.

26 China electricity demand: BMI Electricity, China, 2014. Global number of power plants: IEA World Energy Investment Outlook, 2014. Number of new power plants: Cardo Partners estimates, 2015 based on based on industry reports.

27 Cardo Partners estimates, 2015.

28 Global infrastructure spending: PWC Report, 2014. Cement capacity, global and China: International Cement Review, January 2015.

Industrial elevators market is also supported by global growth in cement plants. Currently, there are approximately 3,700 cement plants in operation globally, of which approximately 1,700 are located in China. Approximately 110 cement plants are expected to be built on an annual basis, adding an estimated 150Mt capacity per year (average for 2015-2017). Moreover, with the estimated reoccurring plant refurbishment taking place approximately every 25 years, currently an estimated 150 plans are expected to undergo refurbishment on an annual basis.[29]

Construction Market Segment

Vertical access solutions used in the construction market consist primarily of hoists, work platforms, transport platforms and material elevators, which are temporarily installed at construction sites. Given the temporary nature of the installations, there exists a significant market for equipment rentals in addition to the base market for new equipment sales.

In 2014, the rack-and-pinion construction market by region, as measured by revenue, was comprised of approximately 88% from China, 6% from Europe, 3% from Asia-Pacific, 1% from Latin America, 1% from North America and 1% from the rest of the world.[30]

The market size for construction rack-and-pinion equipment grew at a 6% CAGR between 2007 and 2012, and contracted with 7% CAGR between 2012 and 2014. The development patterns in construction market differ depending on the geographic region. While construction rack-and-pinion market grew at a 10% CAGR between 2007 and 2012 in China, the rest of the world experienced a decline at a 12% CAGR in the same period. The decline in the world, excluding China, was primarily attributed to a strong drop in demand in 2008 and 2009 as a result of the financial crisis. China, however, demonstrated positive growth in the construction and infrastructure sector over the same period. Greater activity in the construction industry increases utilization and wear and tear, resulting in greater capital expenditure levels in the construction market. Conversely, between 2012 and 2014, China's construction rack-and-pinion market declined at a 9% CAGR, while the rest of the world experienced a moderate growth at a 3% CAGR, which is reflective of the overall slowing construction market in China.[31]

End Market Drivers and Trends

Demand for vertical access solutions from the construction market differs by geographic regions. The main geographic regions driving the demand for the vertical access solutions used in construction are Asia-Pacific, Europe, Latin America and North America.

Asia-Pacific, including Australia and New Zealand

Asia (excluding China) was a growing region in terms of construction demand between 2012 and 2014. Between 2014 and 2018, the global (excluding China) tower crane market is expected to grow at a 6% CAGR from USD 7 billion to USD 8.7 billion. Specifically, between 2014 and 2018, the tower crane market in Asia-Pacific (excluding China) is estimated to grow at a 6% CAGR. Moreover the global (excluding China) elevator and conveyor market is expected to grow at a 6% CAGR from USD 34 billion to USD 43 billion in the same period. These underlying drivers are forecasted to have a positive impact on the growth of rack-and-pinion construction equipment in emerging markets.[32]

In China, in the period between 2012 and 2014, the property sector and the general construction industry growth have slowed down, driven in part by the general slowing of China's GDP growth. In 2012, China's GDP growth slowed down to 7.7%, the lowest level since 2000. The tower crane market in China has declined with 8% CAGR between 2012 and 2014. The tower crane and general lifting equipment are forecasted to pick up and exhibit a moderate growth going forward. China's tower crane market, between 2014 and 2018, is estimated to grow at a 5% CAGR from USD 3.1 billion to USD 3.8 billion. Moreover, the Chinese elevator and conveyor market is expected to grow with 4%

29 Cardo Partners estimates, 2015 based on industry reports.
30 Cardo Partners estimates, 2015.
31 Construction rack-and-pinion market: Cardo Partners estimates, 2015. Construction and infrastructure growth in China: BMI Research, 2015.
32 Tower cranes, elevator and conveyor market: Trimetric, 2015.

CAGR from USD 8.7 billion to USD 10.4 billion in the same period.[33] In addition, under current regulatory framework in China, construction hoists have a lifetime restriction of five to eight years, depending on the region[34], which is expected to support the replacement cycle for construction hoists in China.

The overall growth in the region is largely driven by continued strong underlying macroeconomic development, urbanization and emergence of megacities, especially in emerging markets. By 2020, the ratio of permanent urban residents to total population in China is expected to reach 60% compared to the current 53.7%.[35] Urbanization leads to increasing population density in city areas, creating a need for construction of high-rise buildings required to accommodate the growing population in limited land space. Such urbanization-led construction projects require vertical access solutions, driving the construction elevator market in the region.

Europe

Following the 2008 financial crisis, the European construction market has experienced a steep decline. Between 2012 and 2014, the European construction showed a slight decline, despite the European tower crane market growth at a 7% CAGR during this period. Going forward, the market is expected to be supported by increase in new building construction, civil engineering and non-residential renovation works, which are expected to grow at respective CAGR of 3%, 3% and 2% from 2014 to 2017, as well as stable tower crane growth at a 6% CAGR between 2014 and 2018. Despite the overall slow recovery that is projected in the European construction market, certain pockets of strong growth regions in Europe are expected to drive the demand for vertical access solutions, especially the United Kingdom and Scandinavia, which are showing much stronger growth.[36]

Latin America

Between 2012 and 2014, the market size for construction rack-and-pinion equipment in Latin America grew at a moderate at 3% CAGR, lower than the global average and in spite of the strong tower crane market growing at a 16% CAGR. Going forward stable and moderate growth at a 3% CAGR between 2014 and 2018 is expected in Latin America's tower crane market. Overall, the main market drivers in the region include strong GDP growth, population growth and a distribution of young people supporting long-term growth. Furthermore, in Brazil, large-scale public constructions are also expected to drive the civil construction sector and increase demand for vertical access solutions.[37]

North America

Demand in North America contracted following the 2008 financial crisis and exhibited signs of recovery starting in 2012. The tower crane market declined at a 5% CAGR between 2012 and 2014, but is estimated to grow at a 5% CAGR between 2014 and 2018. Overall, the fractional recovery is expected to be predominantly driven by the rebound in the U.S. construction market. In the United States, the recovery rate varies across major construction sectors, a large part of the growth relating to the non-residential sector is coming from commercial and institutional building starts, both with an expected growth of 10% in 2015.[38]

After Sales Market Segment

The after sales market represents demand for a variety of aftermarket services, such as installations, maintenance, repairs, spare parts, contract-based servicing, refurbishments, application engineering, remote monitoring systems and on-site customer training. As industrial vertical access solutions typically result in permanent installation, necessitating subsequent maintenance and refurbishment, the Group's penetration of after sales services is significantly higher within the industrial market than within the construction market.

33 China's GDP: © Reproduced by permission of the EIU, 2015. Tower cranes, elevator and conveyor market: Trimetric, 2015.

34 Cardo Partners estimates, 2015; Sichuan Provincial Construction Engineering Quality Inspection Center, 2014.

35 Xinhuanet, China unveils landmark urbanization plan, March, 2014.

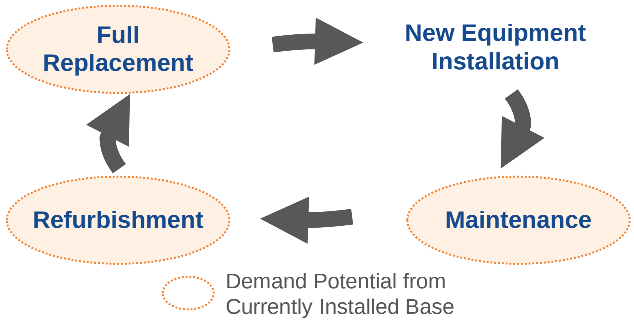
36 Tower cranes: Trimetric, 2015. Non-residential construction markets, civil engineering, renovation works and growth in the United Kingdom and Scandinavia: 78th Euroconstruct Summary Report (November, 2014).

37 Market size for construction rack-and-pinion equipment in Latin America: Cardo Partners estimates, 2015. Tower cranes: Trimetric, 2015. GDP data and population growth: EIU, 2015.

38 U.S. construction market, commercial and institutional buildings starts: Dodge Data & Analytics, www.construction.com, published November 2014. Tower cranes: Trimetric, 2015.

Market Drivers and Trends

While the after sales market is influenced by the trends affecting the industrial market, after sales tend to remain more resilient to market cyclicality. The after sales market fluctuates in accordance with the age profile of the installed base (for example, high unit sales are expected to result in greater after sales revenue later in those units' lifecycles). This nature of the after sales market is explained by the lifecycle of a typical rack-and-pinion industrial elevator as illustrated below:



The Group estimates the total unit lifecycle of an industrial elevator at approximately 25-30 years. Following its installation, it generally requires after sales maintenance services for approximately 15 years. The maintenance phase is then followed by the refurbishment phase, which lasts for another 10-15 years before requiring a full replacement of certain key parts of the equipment. Given this lifecycle, the Group estimates that a new sale generally generates after sales revenues of up to three times its original sale price. In addition, as construction equipment in construction applications is typically installed on temporary basis to assist on construction projects, after sales services are often required between each commission of construction equipment.

The Group believes that while many customers choose to sign maintenance contracts with the same suppliers that supplied the original equipment, it is not uncommon in the industry for suppliers to provide after sales services for other competitors' equipment.

Rental Market Segment

Due to the temporary nature of construction projects, many construction customers choose to rent, instead of purchasing equipment for such projects. Based on 2014 data, the rental market size, within the select countries where the Group is active, is estimated to be approximately SEK 1.2 billion, compared with approximately SEK 7.8-8.6 billion for the total global new construction equipment market.[39]

Market Drivers and Trends

Overall the rental market is particularly influenced by the trends affecting the construction market, and the rental market growth is largely driven by volumes in the construction market. However, some markets have historically been more open to renting equipment than to buying it.

Competition

Rack-and-Pinion

The competitive landscape in the rack-and-pinion niche of vertical access solutions industry is fragmented regionally and between different market. Most market competitors within rack-and-pinion technologies in industrial and construction applications are predominantly local or regional. The Group believes that currently it is the only provider with a sizeable global platform of rack-and-pinion and traction-based vertical access solutions across several end markets.

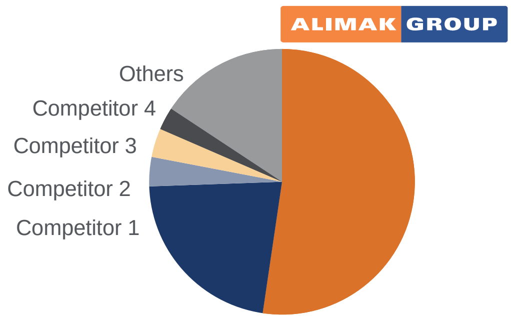
39 Cardo Partners estimates, 2015; Company information.

__Industrial Market__

The industrial market is broadly divided between emerging and mature markets, with different competitive dynamics in each market. Within both mature and emerging markets, the competitors can broadly be classified into smaller local competitors and larger regional competitors.

In 2014, the estimated size of industrial rack-and-pinion applications in the emerging markets, based on revenue was approximately SEK 400 million. The Group believes that the emerging markets are growing markets with primarily regional players, with competition often focusing on pricing and branding. As these markets undergo rapid urbanization, they are expected to increase their demand for mechanical solutions and safety. Today oil and gas and ports make up the majority of the market (due to Asian manufacturing base for rigs and cranes). The rest of the market has a strong underlying industrial growth, but currently features low penetration of vertical access solutions. The market features high concentration, with the top three competitors, including the Group, covering approximately 75% of the industrial rack-and-pinion market. However, segments outside of oil and gas are more fragmented.[40]

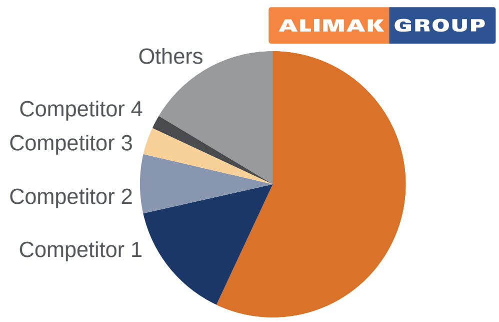
The diagram below presents the competitive breakdown in industrial rack-and-pinion applications in emerging markets based on the 2014 data:



Source: Cardo Partners estimates, 2015; Company information.

In 2014, the estimated size of industrial rack-and-pinion applications in mature markets based on revenue was approximately SEK 500 million. The Group believes that safety, reliability and durability play an important role for customers in mature markets. The market is slightly growing, with the largest end users as oil and gas and power sectors. This market is characterized by high concentration with the top three players, including the Group, covering almost 80% of the rack-and-pinion market.[41]

The diagram below presents the competitive breakdown in industrial rack-and-pinion applications in mature markets based on 2014 data:



Source: Cardo Partners estimates, 2015; Company information.

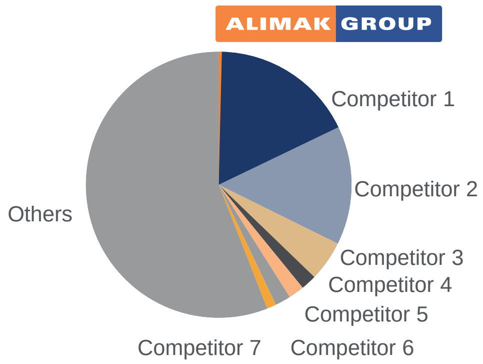
40 Industrial rack-and-pinion emerging market estimates, market shares by key competitors: Cardo Partners estimates, 2015
41 Industrial rack-and-pinion mature market estimates, market shares by key competitors: Cardo Partners estimates, 2015

Construction Market

The construction market is largely segmented based on different price levels, broadly consisting of premium, mid-range and low-end segments. Mid-range and low-end segments consist of relatively standardized construction products offered at a lower purchase price in comparison to premium products, which consist of more tailored construction equipment suitable for a wider range of applications. The Group estimates that mid-range and low-end segments hold the majority share of the market based on units, with the mid-range segment taking up approximately half of the share.

In 2014, the estimated size of construction rack-and-pinion applications in emerging market by revenue was approximately SEK 7.4-8.0 billion. The Group believes that, generally, customers in the mid-range segment, especially in emerging markets, focus on safety, reliability, pricing and brand names, with price being a strong competitive tool in emerging markets. The market is large and to a significant extent driven by the Chinese construction market. The market is dominated by Chinese competitors and features low market concentration within the top seven to eight players, covering approximately 50% of the rack-and-pinion market.[42]

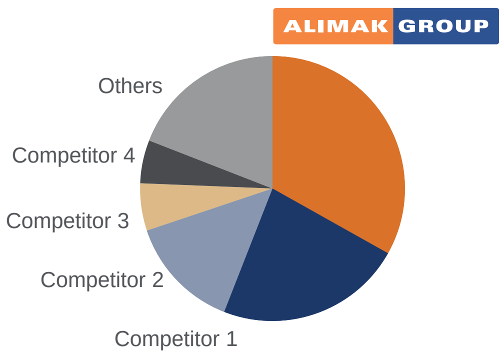
The diagram below presents the competitive breakdown in construction rack-and-pinion applications in emerging markets based on 2014 data:



Source: Cardo Partners estimates, 2015; Company information.

In 2014, the estimated size of construction rack-and-pinion applications in the mature markets by revenue was approximately SEK 500-600 million. The market is still recovering after a strong decline due to the 2008 financial crisis. A large part of end-user demand is still covered by the existing rental fleet. The market is characterized by high market concentration with top players, including the Group, covering almost 75% of the market. The Group believes that safety, reliability and durability play an important role for construction customers in mature markets.[43]

The diagram below presents the competitive breakdown in construction rack-and-pinion applications in mature markets based on 2014 data:



Source: Cardo Partners estimates, 2015; Company information.

42 Construction rack-and-pinion emerging market estimates, market shares by key competitors: Cardo Partners estimates, 2015.
43 Construction rack-and-pinion mature market estimates, market shares by key competitors: Cardo Partners estimates, 2015.

Traction

The competitive landscape in the industrial traction elevator niche varies by market. The key market segments within the global market for industrial traction elevators include power, (petro)chemical plants, oil and gas (offshore rigs), cement, ports and shipyards and marine (freight ships).

Based on 2014 data, the oil and gas segment, which is estimated at approximately SEK 0.8-1.5 billion constitutes approximately 10% of the entire industrial traction elevator market. The competitive landscape in oil and gas segment comprises primarily niche firms, with the Group's market share based on revenue of approximately 2%. The power, (petro)chemical plants and cement segments are estimated at approximately SEK 2.1-2.7 billion, SEK 2.1-2.2 billion and SEK 0.7-1.4 billion, which represents approximately 20%, 20% and 10% of the global market for industrial traction elevators, respectively. The key competitors in those segments are represented by large multi-national companies with some smaller local companies (often partnered with their multi-national counterparts). Ports and shipyards make up approximately SEK 0.1-0.5 billion or 5% of the industrial traction elevator market. The key competitors in those segments are represented by large multi-national companies and some smaller players, particularly in Asia. Marine applications comprise an estimated SEK 0.7-1.6 billion or 10% of the industrial traction elevator market. The competitive market in marine segment includes a few strong and highly-specialized players. The competitive landscape in other industrial application segments, including warehousing, wind and mining is highly fragmented.[44]

44 Traction market size estimates: Cardo Partners estimates, 2015.

Overview

Alimak Group is a leading global industrial group designing, developing, manufacturing, distributing and servicing vertical access solutions predominantly in rack-and-pinion, and also traction technologies. The vertical access solutions market comprises a range of permanently and temporarily installed products designed for commercial, residential, industrial and construction applications, such as stairs, escalators, cranes, scaffoldings, elevators and hoists. Rack-and-pinion and traction technologies represent the niche of the vertical access solutions market that focuses on elevators and hoists for industrial and construction applications across a wide range of end markets, including construction, oil and gas, ports and shipyards, power and cement.

The Group has been a pioneer and an industry leader in supplying elevators, hoists and work platforms based on rack-and-pinion technology for more than 65 years. The Group operates in the premium and mid-market segments in mature and emerging markets, with its business model focused on providing tailored and comprehensive solutions to meet the various vertical access needs of its customers across different industries and geographies. At the core of the Group's products are the Alimak and Hek branded rack-and-pinion elevators, hoists and work platforms as well as the recently acquired Heis-Tek branded traction elevators. The Group believes that its brands enjoy strong market recognition and its products are known for their strong safety record, high quality and durability.

As of March 31, 2015, approximately 21,000 of the Group's rack-and-pinion units have been installed and were in use across a variety of end markets worldwide, making it the largest global rack-and-pinion installed base.[45] The Group believes that this global installed base demonstrates its broad engineering experience and application references list. The Group complements its diverse product portfolio, ranging from the more basic to advanced and customized configurations, with comprehensive service offerings geared to its customers' specific needs, including After Sales services, used equipment sales and rental services. The Group's After Sales service activities form an essential part of its value proposition for its customers and have in the past generated attractive margins and stable revenues.

For the year ended December 31, 2014, the Group generated 38.7%, 28.7%, 28.3% and 4.2% of its revenue in Europe, the Americas, Asia-Pacific, and the rest of the world, respectively. The Group serves its global customer base across multiple end markets through a combination of direct sales and third-party distributors. The Group believes that it is the only provider of both rack-and-pinion and traction based vertical access solutions for industrial and construction applications with a truly global sales and service network. As of March 31, 2015, the Group had 22 wholly owned sales and service offices in 16 countries, including the United States, Sweden, China, India, Australia, Singapore and Brazil, as well as more than 55 third-party distributors in more than 40 countries. The Group has a well-established manufacturing footprint in mature and emerging markets with integrated production and research and development facilities in Sweden and China.

The Group's operations are organized in four business areas that cater to customers with distinct end user needs:

- The **Industrial Equipment** business area designs, develops, manufactures and distributes a broad selection of permanently installed elevators for use in a wide range of end markets, including oil and gas, ports and shipyards, as well as power and cement. The Group is the market leader in industrial rack-and-pinion applications with an estimated global market share of approximately 55% based on sales in 2014 (*Cardo Partners estimates, 2015*). For the year ended December 31, 2014, and the three months ended March 31, 2015, the Industrial Equipment business area generated 31.3% and 21.5% of the Group's revenue and 33.6% and 7.2% of the Group's operating profit (EBIT), respectively.
- The **After Sales** business area provides a variety of aftermarket services, such as installation, maintenance, repair, spare parts, contract based servicing, refurbishment, application engineering, remote monitoring systems and on-site customer training, across the lifecycle of the equipment, leveraging the Group's installed base of approximately 21,000 units. The Group is the leading service provider for its own equipment, with an estimated penetration

45 Installed base is the Group's own industrial and construction equipment, installed by the Group or a third-party, calculated on the basis of the Group's available sales and installation records and based on the estimated life cycle of 25-30 years for industrial elevators and 25 years for construction equipment.

rate of approximately 50% of its installed base,[46] and is in some cases also a service provider for traction technology and other adjacent applications. For the year ended December 31, 2014, and the three months ended March 31, 2015, the After Sales business area generated 33.6% and 35.7% of the Group's revenue and 69.4% and 75.9% of the Group's operating profit (EBIT), respectively.

- The **Construction Equipment** business area designs, develops, manufactures and distributes a wide variety of construction hoists and platforms that are installed for temporary use in connection with construction and refurbishment projects. In construction, the Group is the market leader in mature markets based on sales in 2014 (*Cardo Partners estimates, 2015*). Furthermore, the Group believes that it is well positioned to grow its market share in emerging markets with its newly developed line of mid-market hoists and as the only Western provider of rack-and-pinion based vertical access solutions with sourcing and manufacturing facilities in China. For the year ended December 31, 2014, and the three months ended March 31, 2015, the Construction Equipment business area generated 19.1% and 27.4% of the Group's revenue and (3.5)% and 13.2% of the Group's operating profit (EBIT), respectively.
- The **Rental** business area provides rental services based on the Group's own designed, developed and manufactured construction hoists and platforms to customers in four key markets: France, Benelux, Germany and Australia, as well as offers sales of the Group's used construction products. In 2014, within its key rental markets, the Group's market share based on rental services was estimated at approximately 25% (*Cardo Partners estimates, 2015*). For the year ended December 31, 2014, and the three months ended March 31, 2015, the Rental business area generated 16.0% and 15.4% of the Group's revenue and 0.5% and 3.7% of the Group's operating profit (EBIT), respectively.

The Group is headquartered in Stockholm, Sweden. In the first quarter of 2015, the Group had an average of 1,072 full-time equivalent employees. For the year ended December 31, 2014, and the three months ended March 31, 2015, the Group's revenue was SEK 1,742.5 million and SEK 462.3 million, respectively, and its operating profit (EBIT) was SEK 287.7 million and SEK 72.0 million, respectively.

Financial Targets

The financial targets below consist of forward-looking statements and are based on a number of assumptions (including the successful implementation of the Group's business strategies). Such statements are no assurance for actual future results, and the Group's actual results may differ materially from these forward-looking statements due to a variety of factors, of which some are outside the Group's control. In addition, unanticipated events may adversely affect the actual results that the Group achieves in future periods whether or not its assumptions prove to be correct. See also "*Forward-Looking Statements*" and "*Risk Factors*".

The Board of Directors has adopted the following mid-term financial targets. For a description of the Company's dividend and distribution policy, see "*Share Capital and Ownership Structure — Rights to Dividend and Balances in Case of Liquidation*".

- *Revenue growth*: The Group's mid-term target is to achieve annual revenue growth of 10%.
- *EBIT Margin*: The Group's mid-term target is to achieve a recurring operating EBIT margin of 17%.
- *Capital Structure (Net debt/EBITDA)*: The Company's capital structure shall provide a high degree of financial flexibility and make strategic initiatives possible. The Company intends to maintain an efficient capital structure, defined as net debt in relation to recurring EBITDA of around 2x.
- *Dividend Policy*: The Company aims to pay its shareholders approximately 50% of its annual net profit in dividends. However, any dividend decision will be dependent upon the Company's financial condition, cash flow, acquisition opportunities, strategic considerations and future prospects.

46 Penetration rate calculated on revenues from rack-and-pinion parts and service business (excluding traction parts and service business and refurbishment for rack-and-pinion and traction) for the Group's installed base.

Competitive Strengths

The Group believes that it has a number of key strengths that help to differentiate it from its competitors. These strengths include:

Leading Positions in Mature and Emerging Markets with Strong Brand Recognition

The Group is the market leader in industrial rack-and-pinion applications with an estimated global market share of approximately 55% based on sales in 2014 (*Cardo Partners estimates, 2015*). The Group is the market leader in industrial rack-and-pinion applications in the Pacific,[47] Western Europe, EMEA,[48] Asia, North America and Latin America, with market shares measured by sales in 2014 estimated at approximately 85%, 55%, 55%, 50%, 50% and 45%, respectively (*Cardo Partners estimates, 2015*). In construction applications, the Group is the market leader in the Pacific and North America and number two in Latin America, Western Europe and EMEA, with market shares measured by sales in 2014 estimated at approximately 60%, 60%, 30%, 25% and 10%, respectively (*Cardo Partners estimates, 2015*).

The Group's strong technology base enables it to provide application expertise services in addition to its products, while its long-standing track record of quality and reliability has helped to strengthen its customer relationships and the reputation of its brands. The Group believes that its leading market positions further foster its brand recognition and enable the Group to quickly establish credentials with customers and suppliers in new and existing markets. This helps the Group to build up its product sales and retain customers for After Sales service offerings, thus providing the Group with a strong platform to maintain and further grow its leading industry positions.

Global Presence in Rack-and-pinion Based Vertical Access Solutions for Industrial and Construction Applications

The Group is a global provider of rack-and-pinion based vertical access solutions for industrial and construction applications. Furthermore, the Group believes that it is the only true global producer on the market with a combination of own rack-and-pinion and traction product and service solutions for industrial and construction applications. The Group has a large number of customers distributed among geographies and end markets, including construction, oil and gas, ports and shipyards, power and cement. As most of the Group's competitors are regional or local in their operations, the Group believes that its established global platform differentiates the Group from its competitors and provides the Group with a number of strategic advantages, including diversification, market intelligence and the ability to service customers on a worldwide basis. In the year ended December 31, 2014, the Group generated 38.7%, 28.7%, 28.3% and 4.2% of its revenue in Europe, the Americas, Asia-Pacific and the rest of the world, respectively.

The key features of the Group's competitive global platform include the Group's global sales and services as well as distribution network across more than 50 countries and the large worldwide base of approximately 21,000 installed units[49]. The Group utilizes different combinations of sales and service offices and distributors for different types of products and geographic areas to meet local customers' demands and maximize its market penetration. In certain regions, such as Western Europe, North America and Australia, the Group primarily uses its own marketing and sales organization, whereas in Africa, for example, the Group relies exclusively on local distributors. Many of the Group's sales and service offices are located in proximity to their customers' sites, which enables the Group to further develop and benefit from its customer relationships. The Group places a special emphasis on direct sales through its sales and service offices across its business areas, as the Group believes they represent a key factor in building and sustaining long-term relationships with customers.

The Group believes that its competitive global platform provides the Group with a number of strategic advantages, including: geographical and end market diversification of its product and service portfolio, which lowers the Group's dependency on any particular region or end market, broad market intelligence gathered across a variety of end markets; broad application reference list; strong positioning to attract new business in the regions through the presence of local sales and maintenance

47 Pacific includes Australia, New Zealand and Japan.
48 EMEA includes Eastern Europe, Middle East and Africa.
49 The Group's global installed base consists of approximately 21,000 units predominantly based on rack-and-pinion technology.

personnel; the ability to service its customers globally; the scale advantages of the added ability to service those customers who own assets across multiple geographical regions; and the scale advantages stemming from leveraging a focused production and sourcing set-up towards a global customer base.

Stable and Profitable After Sales Service Business

The Group's After Sales business area has significantly contributed to the Group's revenue and operating profit (EBIT), providing stability to both margins and cash flow. The After Sales business area generated 33.6%, 32.5% and 31.2% of the Group's revenue in 2014, 2013, and 2012, and 69.4% and 63.4% of the Group's operating profit (EBIT) in 2014 and 2013, respectively. As the focus of the Group's After Sales services is primarily aimed at maintaining and upgrading existing industrial and construction vertical access solutions, demand for After Sales services has been impacted by economic cyclicality to a lesser extent than demand for new products in the Industrial Equipment and Construction Equipment business areas. Thus, the After Sales business area's sales and profitability have demonstrated resilience to macroeconomic downturns with largely stable revenue streams and high margins throughout the business cycle.

The Group's global installed base of approximately 21,000 units forms the backbone of its After Sales service offerings. As of December 31, 2014, the Group's installed rack-and-pinion base consisted of approximately 7,000 industrial installations and approximately 14,000 construction installations. In 2014, the Group had an estimated penetration rate of approximately 50% of its installed base, with penetration rate in industrial equipment of approximately 70% and in construction equipment of approximately 30%. The penetration of the Group's After Sales services is significantly higher within industrial than within construction products. In 2014, industrial products, constituting approximately 30% of the Group's installed rack-and-pinion base, comprised the majority of the After Sales business area's revenue. In general, following their initial sale, vertical access solutions require maintenance, spare parts, repairs and refurbishment. The typical unit lifecycle of an industrial elevator is 25-30 years, with refurbishment opportunities mainly materializing after 15 years and later. Specifically, After Sales services constitute approximately three-quarters of total revenue derived from the life cycle of the Group's typical industrial elevator.[50] Thus, the Group believes that its installed base, including its competences in traction equipment, provides potential to further increase its global service market share. The Group further supplements its comprehensive service offerings by servicing some of its competitors' equipment.

The Group's global sales and service network allows it to offer After Sales services to industrial and construction customers in a wide variety of end markets, including oil and gas, construction, ports and shipyards, power and cement. The Group believes that its strong brand name and diverse application experience frequently results in it winning service contracts, as only a few competitors have the technical expertise to offer certain services, such as refurbishment, for the Group's existing equipment.

Well-invested Manufacturing Footprint with Modern Production and Research and Development Facilities in Mature and Emerging Markets, Providing Advantages

The Group believes that its manufacturing footprint, consisting of its modern manufacturing and research and development facilities in China and Sweden, plays a critical role in differentiating the Group from its competitors and positioning the Group to take advantage of future growth opportunities. The key features of the Group's manufacturing operations include a competitive cost base combined with longstanding product and technology know-how, well-invested manufacturing facilities and a globally optimized manufacturing and supply chain.

The Group believes that its manufacturing operations enable it to benefit from production flexibility and economies of scale, establishing a competitive cost base across its premium and mid-market products. The Group's Swedish manufacturing facility focuses primarily on production of premium solutions for mature markets. The facility in Sweden is well-invested and includes a high degree of automation and broad technology and application experience, which is also used for the Group's Chinese manufacturing facilities. The Group's facilities in China focus on production of mid-market products for emerging markets and certain products and components for mature markets. The Group's Chinese

50 Estimation is based on 25-year lifecycle of an industrial elevator.

facilities are vertically integrated and enable sourcing of materials and components from low-cost countries (countries other than countries from the EU-15 area, EFTA, the United States and Japan) for the manufacturing of products for both emerging and mature markets. The Chinese facilities are well-invested for their current operations and well positioned to further expand manufacturing. The Group works closely with local sourcing experts in China to enable low-cost production, while retaining quality and reliability among its supplier base. In 2014, the Group's top five suppliers from mature markets comprised 25% of the Group's purchases in mature markets and the Group's top five suppliers from low-cost countries comprised 13% of the Group's purchases in emerging markets. The Group believes that it is the only Western producer of rack-and-pinion based vertical access solutions with manufacturing facilities in China, which provides the Group with strategic advantages in sourcing and manufacturing.

Furthermore, the Group's research and development capabilities in Sweden and China benefit from both markets and can be tailored to meet customer demand. The Group's manufacturing sites include testing towers, laboratories and research facilities, where the Group's technicians and engineers analyze various product features with a view of developing new products, improving technical efficiency of the existing products and optimizing production costs.

The Group's manufacturing is also supported by its recent investments in additional capacity and productivity of its manufacturing facilities. For example, in 2013, the Group invested in a multifunction computer numerical control (CNC) machine and a semi-automatic CNC machine in Sweden to replace older equipment and ensure a high degree of automation in the Group's Swedish facilities. In 2013, the Group also invested in a new laser cutting machine for its Chinese facility to increase its manufacturing flexibility and efficiency. Through its manufacturing investments, the Group has strategically positioned itself to be able to meet expected future demand and achieve cost saving through operating leverage, while strengthening its presence in key markets, particularly Europe and Asia.

In addition, the quality of operations and optimal production and coordination among the Group's manufacturing facilities are managed on the Group level and are ensured by the head of global manufacturing, who is responsible for both the Swedish and Chinese facilities. This globally managed and coordinated manufacturing and sourcing chain supports the Group's global purchasing and expands its access to different sources around the world. This allows the Group to build backup supply capabilities in the event of supply disruptions and to augment its supply across regions in times of high demand.

Replicating the Group's existing platform, including its cost-effective and value-added manufacturing footprint, would require significant capital, resources and time. Thus, the Group believes that its consolidated manufacturing footprint combined with the Group's large application reference list creates significant barriers to entry for new competitors on the global market.

Well Positioned to Benefit from Global Macro-Growth Trends

The Group believes that it is well positioned to take advantage of the following macro-growth trends within mature and emerging markets, which it has identified as key growth drivers:

- *Urbanization and mechanization* – growth in city urbanization, which is expected to drive the development of megacities and the construction of high-rise buildings, fueling the demand for vertical access solutions in construction. Urbanization growth is also forecasted to increase mechanization, automation and operational efficiency in industrial production, driving the demand for industrial elevators.
- *Markets trends* – increase in global trade and energy consumption is expected to drive the industrial end markets, while the construction end markets are forecasted to experience stifled mid-term demand after a prolonged period of underinvestment during the cyclical downturn.
- *Health, safety and environmental regulations* – within the Industrial Equipment business area, strong regulatory focus on environmental impact from heavy industrial companies and increasing importance of product safety and reliability as criteria in supplier selection; within the Construction Equipment business area, increasing importance of occupational safety at construction sites and trend towards energy efficiency, which requires retrofits to many existing buildings, driving the demand in construction.

The Group believes that it is well positioned to capitalize on these identified macro-growth trends, especially in emerging markets. With own offices in China, Brazil and India, the Group is particularly well positioned to further benefit from the macro-growth trends in emerging markets as illustrated by its strategic plans to further strengthen its presence in Asia, as well as its activities in South America, through the introduction of new, more tailored products and an increase in the local sales force and distributors.

The Group believes that its operations in China combined with the Group's broad experience, track record and know-how established through its long history and leading positions in mature markets, including its work with advanced environmental and safety requirements in Europe and North America, provide the Group with a solid platform to offer well-engineered, safe, reliable and cost-competitive vertical access solutions in response to global macro-growth trends in mature and emerging markets.

Broad Portfolio of Vertical Access Solutions Driven by Technological Leadership and Solid Safety Record

The Group's business model focuses on providing value-added solutions to meet the various vertical access needs of its customers. The Group's products and services are often critical to the success and efficiency of customer projects, providing important high performance features, whilst typically making up only a limited share of the total project costs. The Group believes that the development of its product and service portfolio is driven by its technological leadership, which creates value for customers by increasing the efficiency and productivity of equipment, while reducing the customers' total cost of ownership and operation.

The Group has a broad product and service portfolio, ranging from mid-market to premium solutions in basic and advanced forms. The Group's product development efforts are largely aimed at strengthening its geographical and application market positions. Specifically, in 2013, the Group began to actively expand its product offerings through development of new cost-competitive hoists particularly tailored for the mid-market segment in emerging markets. As part of this product development initiative, in the first quarter of 2014, the Group launched its first two new mid-market hoists tailored for the Chinese market, followed by additional mid-market hoist versions for other emerging markets in the second quarter of 2014. The Group also launched its first mid-market hoist addressing more mature markets in December 2014 in Scandinavia and in the first quarter of 2015 in other European markets.

In addition to its products, the Group believes that a key part of its competitive customer offering lies in its ability to build on its acquired application know-how to provide value-added services. Particularly within the Group's Industrial Equipment business area, this entails tailoring the products and services to the customer's requirements. The Group has a large number of customers distributed among a number of end markets, including construction, oil and gas, ports and shipyards, power and cement. The Group works closely with its customers to develop innovative products and applications, which also strengthens its customer relationships and provides it with an understanding of customer needs and improved industry knowledge. Through its acquisition of Heis-Tek in June 2014, the Group further broadened its application expertise and portfolio, including traction elevator products and services designed for industrial applications historically aimed at offshore use.

Furthermore, the Group has a longstanding reputation in the vertical access solutions industry for the safety, reliability and quality of its products. The Group's products undergo a series of rigorous safety and quality tests before arrival to market. Safety and reliability stand among key purchasing criteria in industrial and construction applications within mature and emerging markets, thus the Group believes that it benefits from its reputation for delivering safe, well-engineered and reliable solutions.

Strong Track Record of High Profitability and Strong Cash Conversion

In 2014, 2013 and 2012, the Group maintained an operating profit (EBIT) margin of 16.5%, 17.6% and 9.2%,[51] respectively. The Group's cash conversion rate in 2014 and 2013 was in the average of 65-66%. The Group's profitability has benefited, in part, from achieving higher operating margins in its After Sales business area, which contributed 33.6%, 32.5% and 31.2% to the Group's total revenue in

51 In 2012, the Group incurred SEK 110.7 million in non-recurring items. Excluding these non-recurring items, the operating profit (EBIT) for the year ended December 31, 2012, would have increased by SEK 110.7 million, or 80.5%, to SEK 248.1 million for the year ended December 31, 2012 and the operating profit (EBIT) margin would have been 16.6%.

the years ended December 31, 2014, 2013 and 2012, respectively, and 69.4% and 63.4% of the Group's total operating profit (EBIT) in the years ended December 31, 2014 and 2013, respectively. In addition, the Group believes that its strong financial performance was also a function of its cost-efficient production operation after the successful implementation of a manufacturing optimization program, disciplined capital management, and the increased share of revenue from After Sales service offerings, which generate higher margins than the product offerings and are more resilient to market volatility.

The Group believes that its track record of achieving high operating profit (EBIT), improvements in operational efficiency and strong cash conversion rate demonstrate the strengths and resilience of the Group's business, in part due to the performance of Group's After Sales business area.

Highly Experienced Management Team with International and Local Expertise

The Group's management team consists of highly skilled and experienced professionals with an average of more than 20 years of industry experience. With a diverse range of backgrounds, including some of the leading industrial and strategy firms, such as ABB Ltd., McKinsey & Company and the Volvo Group, the Group's management team has extensive experience in executing emerging market strategies and managing international operations. The Group's management is led by Tormod Gunleiksrud (President and Chief Executive Officer since 2012 as well Head of Industrial Equipment since 2014) who has over 20 years of experience in leading management positions, including his work as the President and Regional Division Manager for ABB Robotics in China and North Asia. Stefan Rinaldo (Chief Financial Officer since 2012) joined the Group in the end of 2007 and previously served as the Group's Senior Vice-President of Business Development and, prior to that, within ABB Power Solutions. The Group's business areas are headed by professionals with strong industry experience. The Group's executive team is supported by centralized group functions and a number of strong local managers who, the Group believes, possess the capabilities required in a competitive market for the execution of the Group's strategic initiatives.

Strategy

The Group's strategy builds on its competitive strengths and its strategic objectives are focused on positioning the Group as an undisputed leader across industrial and construction applications in mature markets and a leading provider of industrial vertical access solutions in emerging markets, which provides state-of-the-art vertical access solutions through cost effective manufacturing and After Sales services to customers. To achieve its strategic objectives, the Group has identified and will focus on the following key initiatives:

Expand Market Share in Mature and Emerging Markets by Focusing on Mid-Market Products in the Construction Equipment Business Area

The Group intends to increase its global market share in mature and emerging markets, particularly by focusing on product development for the mid-market sector through introduction of the new line of mid-market hoists for emerging and mature markets, developing product extensions in select niches and strengthening its presence in select geographies.

Through its re-design of existing products and development of new products, solutions and services, the Group believes it is well positioned to strengthen its competitive position and benefit from future growth and gain new customers in the mid-market sector, particularly within the emerging markets. In line with its strategic objectives, in 2013, the Group, using its engineering experience and its well-invested production facilities, began to develop a new line of hoists addressing the mid-market segment in emerging and mature markets. In the first quarter of 2014, the Group launched its first two new mid-market hoists tailored for the Chinese market, followed by additional mid-market hoist versions for other emerging markets in the second quarter of 2014. These products have been specifically designed to be highly competitive in emerging markets through their less complex construction and significant reduction in cost while leveraging the Group's strong brand, broad application know-how and solid safety record.

The Group further aims to expand its existing mature market product offering to benefit from mid-market hoist design criteria and low-cost sourcing. In line with this strategic objective, The Group also launched its first mid-market hoist addressing more mature markets in December 2014 in Scandinavia and in the first quarter of 2015 in other European markets. In addition, the Group aims to develop further product extensions in select niches. Specifically, the Group has launched a project to develop a price competitive transport platform offered to the European markets. With a growing product offering combined with its cost-efficient manufacturing, the Group believes that it is well positioned to seize future opportunities.

Furthermore, through the introduction of the new mid-market hoists and expansion of product offerings in selected niches, the Group aims to strengthen its presence in key geographies, such as South America, Middle East and Asia. The Group believes that this geographic expansion is also enabled by its strategic initiate in development of sales force, and particularly growth in the number of distributors.

Through continuously developing its product portfolio and focusing on value-added solutions in rack-and-pinion and traction technologies combined with efficient and cost competitive production and sourcing, the Group believes that it is well positioned to benefit from the growth opportunities within the mid-market segment also in new geographies and segments in mature markets.

Maximize Value of the After Sales Business

The Group's After Sales business area plays an important role in the growth of the Group's operating profit (EBIT) and has been a key contributing factor to the stability of the Group's recurring revenue streams. The Group intends to build on its global reach and its After Sales expertise, including traction competences, to further maximize the value of its After Sales business through increase in After Sales presence by customer and increase in penetration of the Group's current installed base.

Overall, the Group aims to continue its proactive sale of spare parts, supply of repair and maintenance services and refurbishments for its global installed base as well as for adjacent applications and technologies. The Group has identified several ways to grow its After Sales offerings per customer, such as increasing the Group's refurbishment offerings, increasing penetration of its service contribution through expansion of its service contracts and developing wider product range to increase After Sales opportunities.

The Group also aims to increase its penetration of its global installed base of approximately 21,000 units. With the Heis-Tek acquisition in June 2014, the Group expanded its competences to service traction elevators technology. This combination allows the Group to serve as a one stop-shop service supplier for two main types of industrial elevator technologies. The Group intends to leverage this position and further expand its service offerings for its installed base. One of the Group's key strategic focuses has been on increased penetration of its offshore base, particularly with active pursuit of the global Master Service Agreements ("**MSAs**") with major rig drilling companies. In addition to the offshore market, the Group aims to increase its spare parts and refurbishment offerings in onshore and construction applications, particularly through active development of customer relations. To reinforce its strategic efforts in service expansion and installed base penetration, the Group aims to expand its service network through increase in distributors and service technicians.

Strengthen the Group's Positions in the Industrial Equipment business area

The Group intends to leverage its application and design experience to further enhance its positions in the Industrial Equipment business area, particularly through driving innovative and cost competitive offerings in the premium segment, developing product platforms for the mid-market segment and further expanding its offerings in traction technology.

The Group's robust ongoing development program aims to introduce a range of products for industrial applications in the premium segment, such as a product range of two to six ton elevators and elevators for extreme temperature applications. Moreover, building on the Group's manufacturing in Sweden and China, which include low-cost sourcing capabilities combined with engineering experience and extensive application know-how, the Group aims to advance the competitiveness of its products within the premium segment.

In addition, the Group aims to further develop its mid-market offerings in industrial applications, such as basic explosion-proof elevators and light service elevators. With its product development initiatives the Group intends to strengthen its presence in a number of emerging markets, including China and South America. The Group plans to reinforce its strategic efforts by expanding its distributor network in emerging and mature markets.

Drive Above Market Growth through Continuous Strengthening of the Group's Sales Network

The Group intends to drive its market growth by using its proactive sales methods, strategically increasing its distributor reach and selectively expanding the Group's sales network. As of March 31, 2015, the Group had a global sales network of 22 own sales offices and more than 55 distributors across all six continents, which allows for proximity to attractive markets. The Group's proactive sales model focuses on providing its sales teams and distributors with the latest information, training and state-of-the-art tools to enable them to market the Group's solutions in the most effective way. The Group's model for continued improvement of its own sales activities comprises four core tasks: continuous training and coaching of the Group's sales force, maximizing customer experience through opportunities to "touch and feel" the products facilitated by having a local market presence, increasing the number of joint visits for on-the-job training and establishing and maintaining an efficient sales process through on-demand sales material and simplified real-time quotation tools. In order to ensure an effective implementation of the Group's sales model, its sales teams have clearly defined weekly targets for site visits, quotations and orders to enable management to efficiently assess and improve performance. Moreover, in order to improve its sales effectiveness, in the course of 2014, the Group implemented a global customer relationship management (CRM) system, which functions as a market monitoring tool aimed at improving performance tracking and individual coaching for the Group's sales force and distributors by increasing the transparency of individual sales activities. The CRM system has been implemented in the Group's own sales and service offices and is in the process of getting implemented through the Group's distributors.

The Group's distributor sales represent a critical factor for its global reach and strategic regional growth. Using distributors allows the Group to efficiently comply with local regulations and reduce its exposure to any sales volatility. The Group intends to further enhance its reach by increasing the number of its global distributors. For example, in 2014, the Group increased its distributors by more than 50% from 30 to 56. Further, to reinforce its proactive sales and solidify its leading positions, particularly within emerging markets, the Group aims to increase the number of distributors per region. In order to gain a strong knowledge of the local market in China, the Group intends to create a large network of distributors across the main Chinese provinces. To further drive its market growth, the Group aims to selectively invest in certain geographical regions by increasing its own sales force within its underrepresented markets, such as China, Russia and Canada.

Drive Acquisitions in Selected Niches to Strengthen Market Position

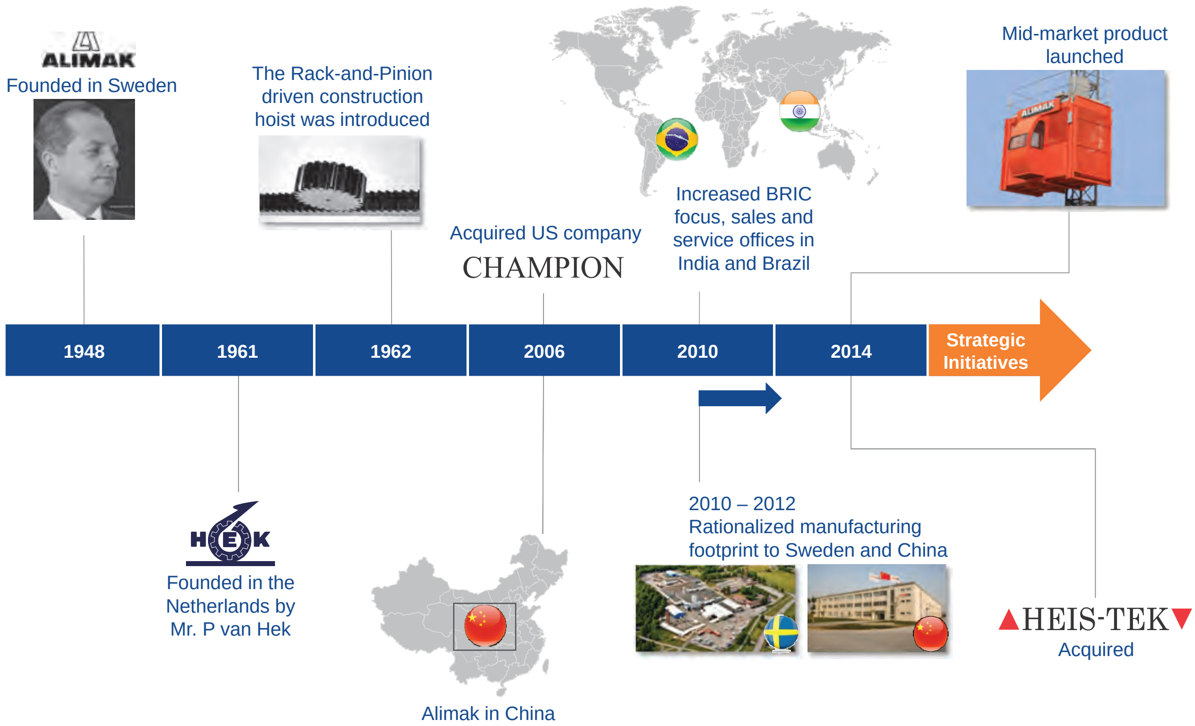
In addition to the Group's strategy for accelerated organic growth, it is continuously evaluating potential acquisition opportunities. The Group focuses its portfolio management on selective acquisitions within the vertical access solutions market to strengthen its position in selected geographies or technologies. Examples are the acquisitions of Champion in the United States in 2006 and, more recently, the acquisition of Heis-Tek in June 2014, a specialized traction elevator company focused on oil and gas offshore applications with a well-established After Sales business. The Group aims to seek out acquisition opportunities with the goal of selectively broadening its existing portfolio of products and services, accelerating its footprint in emerging markets and positioning the Group for entry into profitable adjacent niches of vertical access solutions.

History of the Group

The Group's history dates back to the founding of Alimak in 1948 in Skellefteå, Sweden. From its inception, Alimak's business has focused on the manufacture and development of vertical access equipment for various industrial and construction applications. The Company introduced the first steel construction passenger hoist in 1953 and the first rack-and-pinion mast climbing work platform in 1956. In 1962, Alimak revolutionized the approach to rack-and-pinion vertical access solutions by introducing the first rack-and-pinion-driven construction hoist. Between 1968 and 2001, Alimak expanded its geographic footprint and its business operations by enhancing its product and service offerings, growing its customer base across a number of end markets and engaging in a series of strategic acquisitions. In 1973, Alimak delivered its first rack-and-pinion elevator for the offshore industry. In 2001, Alimak merged its operations with the Dutch company Hek, which has been producing construction hoists and work platforms since 1961.

In 2006, the Group established production operations in China and, to strengthen its U.S. presence, acquired Champion Elevators, a Texas-based rack-and-pinion elevator company. In 2007, the Group was acquired by Triton. From the beginning of 2008, the Group increased its strategic focus on the BRIC markets, opening sales offices in India and Brazil between 2008 and 2011. In addition, between 2010 and 2012, the Group engaged in a manufacturing footprint optimization program, consolidating its manufacturing and focusing its manufacturing and supply base to two locations in Skellefteå, Sweden, and Changshu, China. In June 2014, the Group broadened its technology offering through the acquisition of Heis-Tek, a Norway-based specialized traction elevator company that offers its products and services predominantly for oil and gas offshore applications in the North Sea.

The following timeline illustrates the Group's historical milestones:



Source: Company information.

Business Areas

Overall, the Group offers a broad range of products and services developed to meet customers' needs through four distinct business areas: Industrial Equipment, After Sales, Construction Equipment and Rental.

Industrial Equipment

The Industrial Equipment business area designs, develops, manufactures and distributes a broad selection of permanently installed elevators for use in a wide range of end markets, including oil and gas, ports and shipyards, power and cement. The Industrial Equipment business area is a project-oriented business, where purchases from the Group typically form part of large and complex engineering, procurement and construction ("**EPC**") projects, such as development at oil refineries, liquefied natural gas (LNG) terminals and chemical plants. Thus, the Group's industrial elevators are often tailored to suit specific customer applications and requirements in terms of size, payload capacity, height, speed and other factors, all in order to ensure delivery of the right equipment for each individual task. Industrial elevators have long anticipated lifetimes, with an average lifetime of approximately 25-30 years. The Group believes that the long anticipated lifetimes of its industrial elevators position the Group for future streams of recurring revenues from After Sales services, such as remote monitoring, repairs, spare parts and refurbishments.

Within the Industrial Equipment business area, the Group is the market leader in industrial rack-and-pinion applications with an estimated global market share of approximately 55% based on sales in 2014 (*Cardo Partners estimates, 2015*). The Group's Industrial Equipment business area revenues amounted to SEK 697.3 million in 2008, SEK 625.6 million in 2009, SEK 443.8 million in 2010, SEK 416.2 million in 2011, SEK 447.7 million in 2012, SEK 496.4 million in 2013 and SEK 545.3 million in 2014.[52]

In 2014, the Industrial Equipment business area's revenue comprised 41% from oil and gas, 17% from ports and shipyards, 15% from power and 27% from other markets. In 2014, 37% of the Industrial Equipment business area's revenue was derived from Europe, 36% from Asia-Pacific, 24% from the Americas and 3% from the rest of the world.[53]

Product Offerings

The Group's industrial elevators are designed to safely and efficiently transport people and materials, enabling its customers to better access, monitor and service key areas of their facilities. The Group's industrial elevators, including explosion-proof elevators and elevators for special applications, benefit from the Group's significant technical experience and are designed to withstand extreme conditions and corrosive environments while providing reliability, quality and efficiency.

The Industrial Equipment business area's main products and their key characteristics include the following:

Service industrial elevators support loads of up to 300 – 700 kg and feature small installation footprints. These elevators are suitable for a wide range of applications, including chimneys, transmission towers, bridge pylons, tunnels, nuclear power plants, coal transfer towers, silos and communication towers.

Passenger and freight industrial elevators are used in a wide range of applications, such as boiler houses, warehouses, cooling facilities for power plants, crushing plants, steel mills and cement plants. The Group's Alimak elevators support loads from 300 kg up to 6,000 kg. Their design allows for adaptable floor and roof configurations, even in tough industrial conditions, providing for 53 different car sizes within the standard range (up to 3,300 kg). Additional car sizes are available according to code or customer requirements for the heavy industrial range between 3,300 – 6,000kg. The Group's Heis-Tek passenger and freight traction elevators support loads of up to 10,000 kg and are primarily used for offshore applications.

Explosion-proof industrial elevators are passenger and freight elevators designed for heavy duty needs in hazardous environments, where concentrations of flammable gases, vapors or dust occur. These elevators support loads of up to 2,500 kg. The elevators are typically used on derricks and platform modules, LNG terminals, oil refineries, chemical plants and other similar industrial environments. The Group's industrial elevators meet the safety criteria for use in hazardous industrial environments.

Special application industrial elevators represent highly customized elevators for various purposes and environments. Examples of the Group's products in this category include the external panoramic elevators in London's Docklands and the transport elevator for the London Opera House.

Cargo industrial elevators are designed to handle loads between 5,000 and 12,000 kg and are built to withstand the most extreme environments. The Group's cargo elevators are available for safe and hazardous areas. These elevators are used in a variety of industrial applications and provide for easy vertical transportation of heavy duty goods and consignments.

Sales Process

While an industrial elevator often constitutes a small fraction of the project cost as a whole, customers often know their product needs in advance and require industrial elevators to be based on precise

52 The Group's revenue information for the years ended December 31, 2011, 2010, 2009 and 2008 has been derived from the audited consolidated financial statements of Apolus Holding AB, the Company's largest shareholder, as of and for the years ended December 31, 2011, 2010, 2009 and 2008, which have been prepared in accordance with IFRS.

53 This information represents unaudited financial information.

technical specifications for the project. Thus, the Group usually receives information on the project requirements during the planning and design stages of projects and works closely with its customers to ensure compliance with all customer specifications. In the procurement stage, the Group along with its customers make final adjustments to the solution and customers place the order. In the construction, installation and commissioning phase, the Group delivers and installs the final product. While customer payment terms vary among projects, for large customized orders, the Group and its customers typically develop payment schedules, including down payments and commitment fees.

The Industrial Equipment business area is driven by the order backlog, which leads to good revenue visibility, where 50 – 60% of the Group's revenue in the Industrial Equipment business area normally would be known at the beginning of the year. The sales cycles for industrial products tend to be longer and include approximately six to 12 months order backlog based on confirmed orders.

Customers and Distribution

The business area's key end markets are oil and gas, ports and shipyards, power and cement. The Group's distribution structure in the Industrial Equipment business area consists of end customers, distributors and engineering, procurement and construction companies (EPCs). The distribution structure is significantly driven by the Group's sales through own sales offices and sales to distributors and EPCs. However, a significant share of sales to distributors and EPCs is driven by specifications from end customers, which often have a dialog with the Group's direct sales force. The distributors are often involved early in the project identification phase to ensure that the end customer requirements are fully understood and addressed. While end customers often place their orders through distributors, the Group's sales force works directly with end customers to ensure compliance of the product with all customer specifications. Moreover, end customers may appoint EPCs, which design the specification, installation, procure the necessary materials and build the project either directly or through sub-contracting. Thus, EPCs also represent important customers for the Group as they act as a sales channel for the vertical access solutions market.

After Sales

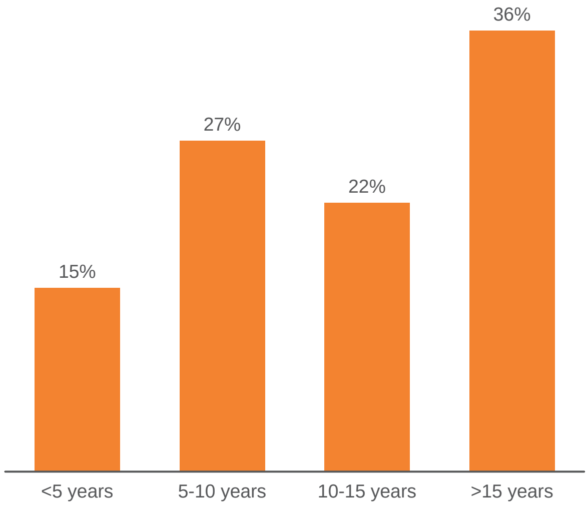
The After Sales business area provides a variety of aftermarket services for industrial and construction equipment, such as installation, maintenance, repair, spare parts, contract-based servicing, refurbishment, application engineering, remote monitoring systems and on-site customer training, across the lifecycle of the equipment, leveraging the installed base of approximately 21,000 of the Group's units. As of December 31, 2014, the Group's installed base consisted of approximately 7,000 industrial units and approximately 14,000 construction units. Within its After Sales business area, the Group offers services in industrial and construction applications focused on ensuring continuous production and efficiency by limiting costs related to potential machinery malfunctions and consequent downtime. Building on the Group's global installed base and its wide sales and service network, the Group currently is the only provider of vertical access solutions with competences in rack-and-pinion and traction technologies, holding global MSAs, under which the Group is able to service its customers' facilities worldwide.

The penetration of the Group's After Sales services is significantly higher within industrial than within construction product customers. In 2014, the Group's penetration rate in its industrial installed base was approximately 70%, while the penetration rate in its construction installed base was approximately 30%.[54] In 2014, industrial products, constituting approximately 33% of the Group's installed base, comprised the majority of the After Sales business area's revenue, with construction products constituting the remaining approximately 67% of the installed base. The Group believes that this high penetration in the industrial customer base is caused by several factors, including the complex nature of industrial projects, where minimizing downtime is of high importance and customers outsource service and maintenance in order to reduce operational risk. The Group believes that, as construction products and applications are used in temporary installations, construction customers often prefer to have more control and, as a result, perform their own service and repair functions in relation to their products. The Group estimates that After Sales services constitute approximately 75% of revenue potential derived from the total lifecycle of a typical industrial elevator.

54 Penetration rate calculated on revenues from rack-and-pinion parts and service business (excluding traction parts and service business and refurbishment for rack-and-pinion and traction) for the Group's installed base.

The typical unit lifecycle of an industrial elevator is 25-30 years, with refurbishment opportunities mainly materializing after 15 years and later.

The graph below illustrates the estimated age profile of the Group's installed base:



Source: Company information.

Given the aging profile of the Group's installed base, the Group believes that it has a strong potential to further increase its opportunities for After Sales and refurbishment services. Moreover, the Group supplements its comprehensive service offerings in rack-and-pinion and traction technologies by addressing some its competitors' equipment.

The Group is the leading service provider for its own equipment, with an estimated penetration rate of approximately 50% of its installed rack-and-pinion base. The Group's After Sales business area revenues amounted to SEK 365.5 million in 2008, SEK 402.6 million in 2009, SEK 396.5 million in 2010, SEK 411.3 million in 2011, SEK 468.1 million in 2012, SEK 493.1 million in 2013 and SEK 585.2 million in 2014.[55]

In 2014, 35% of the After Sales business area's revenue came from Europe, 18% from Asia-Pacific, 42% from the Americas and 5% from the rest of the world.[56]

Service Offerings

The provision of After Sales services forms an essential part of the Group's value proposition as the Group's products are normally subject to high usage, demanding applications or harsh and corrosive environments. The Group's long-standing expertise in vertical access solutions and broad experience across geographic and end market applications contribute to its competitive offering in the services sector. The Group believes it is the only company with a globally operating service network that offers spare parts, services and maintenance for both rack-and-pinion and traction technologies. The service offerings within its After Sales business area include:

Installation, Maintenance and Repair

The Group provides a range of professional installation, regular maintenance and repair services to optimize machine uptime, reduce costs and ensure effective operation during the lifetime of the equipment. The Group believes that it has one of the most comprehensive networks of service workshops, with technicians who are dedicated to rack-and-pinion and traction equipment, which enables the Group to provide fast and efficient inspections, maintenance and repairs.

Spare Parts

The supply of spare parts for all of the Group's products and brands, including Alimak, Hek, Heis-Tek and Champion, is conducted through a global replacement parts distribution network with logistic hubs

55 The Group's After Sales revenue for the years ended December 31, 2012 and 2008 represents unaudited financial information. The Group's revenue information for the years ended December 31, 2011, 2010 and 2009 has been derived from the audited consolidated financial statements of Apolus Holding AB, the Company's largest shareholder, as of and for the years ended December 31, 2011, 2010 and 2009, which have been prepared in accordance with IFRS.

56 This information represents unaudited financial information.

in Sweden, China, the United States, the United Kingdom and Singapore. Spare parts are engineered and manufactured to original equipment specifications and are of identical quality to the parts used by the Group to manufacture its products.

Contract-Based Servicing

The Group offers service contracts tailored to individual customers' needs. Service contracts may cover regular maintenance, monitoring and inspection of products located at one or more of a customer's facilities. While the value of a particular contract is typically based on the agreed level of service labor needed to maintain units, the service contracts generally lead to sale of replacement parts, with unit upgrades and periodic refurbishments being sold when units are typically ten years or older. The Group believes it is the only provider holding global MSAs in the rack-and-pinion vertical access industry, which allows it to service its customers' facilities worldwide.

Refurbishment

For those customers that seek to extend the life of their products, the Group offers a broad range of refurbishment services. The Group's refurbishment services offering includes equipment upgrades and refurbishment programs, including an exchange units program, control upgrades, component upgrades and replacement of worn equipment. The Group is able to assist its customers in assessing their equipment replacement needs through the use of the Group's ultrasound testing program for the structural equipment components. The scope and extent of refurbishment services depend on individual customer requirements and are typically tailored to the equipment needs, including the results of the structural integrity and corrosion rate following the ultrasound testing.

Application Engineering

The Group provides customer-focused solutions for demanding installations or unusual operating conditions that require a bespoke service. The Group leverages its experience in design and applications to provide expedited configuration drawings, strength calculations and calculations for ground load and anchor forces.

Remote Monitoring Systems

The Group offers its "A3" online system for remote monitoring of many of its products. The system serves as a fault-tracing instrument, collecting and displaying a variety of operational information and data about the product, including any starts and stops in operation as well as hours in operation, which facilitates timely diagnosis and repair of machinery.

Customer Training

The Group offers comprehensive product training programs aimed at people who work with, install, use or maintain the Group's products. Every training program is designed to build a required skill set in a variety of fields, including safety aspects, general maintenance and basic understanding of applicable local regulations. In addition to the regular training courses, the Group offers specifically tailored training programs to meet its customers' project requirements. The Group's experienced After Sales support team provides training on-site or at one of the Group's dedicated global training facilities in Sweden, Australia, the United Kingdom and the United States.

Sales Process

Service contracts in the After Sales business area are typically standardized and have a term of 12 months. However, the Group's sales processes vary significantly depending on the type of customer, the nature of contracts and the After Sales services requested. Specifically, the Group conducts a range of one-time repair services for small customers and provides maintenance and repair services under global MSAs for its large customers. The Group experiences a high retention rate within its service contracts, which offers revenue visibility and stable revenue inflows.

Customers and Distribution

The After Sales business area's key end markets include oil and gas, construction, ports and shipyards, power and cement. As the Group's industrial and construction products generally are subject to high usage, demanding applications and/or harsh and corrosive environments, many of the Group's industrial and construction customers also form the customer base for the After Sales business area. In addition, many customers return to the Group after an initial purchase to obtain original spare parts to ensure control over both quality and safety.

The Group's After Sales business area competes with other providers of After Sales services for the Group's products. The distribution structure comprises end customers from industrial, construction and rental segments, distributors and service companies. While distributors provide After Sales services to end customers across industrial, construction and rental segments, service companies only focus on end customers from the industrial segment. After Sales maintenance, repair and refurbishment services are typically provided directly to end customers, while spare parts are offered to all customer categories. The majority of the After Sales business area's revenue is typically generated from end customers reached through the Group's sales offices and distributors.

Construction Equipment

The Construction Equipment business area designs, develops, manufactures and distributes construction hoists and platforms that are installed for temporary use in connection with construction and refurbishment projects. The Group's products in this area range from basic work platforms to high-speed construction hoists.

All of the Group's construction products are based on modular designs, which provide them with flexibility in size and capacity for use in a variety of applications, including construction and refurbishment of high-rise buildings, bridges, chimneys and façades. All basic components of the Group's construction products are designed to be flexible, include interchangeable parts and can be used with a single mast. Such modular designs allow the Group to tailor its products to specific needs and applications of its customers and, by using relatively few modules and components, the Group can assemble the products featuring a range of car sizes and capacities. The Group also believes that the Group's modular approach promotes customer demand for accessories, increases rentals, offers higher value to customers, and decreases assembly time and maintenance costs.

In Construction Equipment, the Group is the market leader in mature markets based on sales in 2014 (*Cardo Partners estimates, 2015*). The Group's Construction Equipment business area revenues amounted to SEK 597.9 million in 2008, SEK 182.3 million in 2009, SEK 243.1 million in 2010, SEK 202.5 million in 2011, SEK 279.3 million in 2012, SEK 242.5 million in 2013 and SEK 333.4 million in 2014.[57]

In 2014, 32% of the Construction Equipment business area's revenue came from Europe, 30% from Asia-Pacific, 31% from the Americas and 7% from the rest of the world.[58] Furthermore, the Group believes it is well positioned to grow its market share in emerging markets as it is the only Western provider of rack-and-pinion based vertical access solutions with sourcing and manufacturing facilities in China.

Product Offerings

The Group's construction products are designed for a variety of applications where the safety of workers, reliability, versatility and price are key customer requirements. Set forth below are the Group's Construction Equipment business area products and their key characteristics:

Construction Hoists

The Group's rack-and-pinion construction hoists for passengers and materials have been used for over 65 years in all types of applications. Their maximum standard lifting height is 400 meters and standard payload capacity range is 300-3,200 kg. The standard range of construction hoists offers transport solutions for low, medium- and high-rise constructions of all types. The products can have numerous features and configurations, providing them with flexibility to adapt to customers' requirements. For example, a modern microprocessor-based control system within some of the Group's construction hoists allows customers to have group control for up to six hoist cars at once. This control system reduces waiting times by storing all calls from the landings and sending the logistically nearest hoist

57 The Group's revenue information for the years ended December 31, 2011, 2010, 2009 and 2008 has been derived from the audited consolidated financial statements of Apolus Holding AB, the Company's largest shareholder, as of and for the years ended December 31, 2011, 2010, 2009 and 2008, which have been prepared in accordance with IFRS.

58 This information represents unaudited financial information.

car to pick up cargo or passengers. Typical applications for the Group's construction hoists include construction and refurbishment of, among other things, buildings, chimneys and bridges.

In order to respond to the growing demand within the mid-market segment in the Construction Equipment area, in the first quarter of 2014, the Group launched its first two new mid-market hoists tailored for the Chinese market, followed by additional mid-market hoist versions for other emerging markets in the second quarter of 2014. These hoists represent an efficient and safe alternative to conventional platforms and hoists, featuring competitive pricing and safe and reliable performance, customized specifically for emerging markets. The hoists provide a payload capacity of up to 2,000 kg with lower energy consumption and a reduced cost of ownership, as compared to standard construction hoists. Building on its investments in products for emerging markets, the Group also launched its mid-market hoist addressing more mature markets in December 2014 in Scandinavia and in the first quarter of 2015 in other European markets.

Dual Functional Transport Platforms and Material Hoists

Transport platforms and material hoists are suitable for the vertical transport of people and materials on construction sites. The Group offers a full range of transport platforms and material hoists in a variety of configurations, which generally fall under the HEK TPL (transport platform light) or HEK TPM (transport platform medium) product families. The HEK TPL is designed for smaller construction projects with limited space inside and outside of buildings where less payload capacity is required. It has a payload capacity of 300-2,000 kg and comes in five configurations. The HEK TPM is used for transporting materials on the inside and outside of buildings and offers additional functions, such as two hoisting and descending speeds. It has a payload capacity of 1,300-4,000 kg and comes in six configurations.

Work Platforms

The Group offers light (MS2450) and medium (MCM) range platforms in both single and twin mast configurations. MS2450 platforms are well-suited for light façade work, painting, balcony and roof repair, aluminum cladding, window replacing and insulation, and they provide an open and easy access to the building. These platforms have a payload capacity of 1,880-2,380 kg. MCM platforms are used for a broad range of façade work, glazing and coating systems employed in large formats in materials such as aluminum and natural stone. These platforms have a payload capacity of 2,000-5,200 kg.

Sales Process

Hoists and platforms represent essential equipment for construction projects, which leads customers, particularly rental and construction companies, to place their orders early in the construction process in order to secure equipment supply. As customers in the construction industry generally require functional operation without the need for special customized solutions, the Construction Equipment business area features a standardized order intake, as compared to the Industrial Equipment business area. Construction Equipment sales are more standardized in nature, while customer payment terms may vary among projects, sales of construction equipment typically do not include down payments.

Customers and Distribution

The customer base within the Construction Equipment business area is large and highly fragmented on the global level, with a few large national, regional and local customers.

The distribution structure within the Construction Equipment business area consists of rental companies, distributors and construction companies, which represent the Group's end customers in the Construction Equipment business area. The majority of the Group's revenue within the Construction Equipment business area is derived from rental companies and distributors, who supply construction companies, while direct sales to construction companies only account for a small share of the Construction Equipment business area's revenue.

Rental

The Rental business area provides rental services based on the Group's own designed, developed and manufactured construction hoists and platforms to customers in four key markets, France, Benelux, Germany and Australia, as well as offers sales of the Group's used construction products. In addition to its four key markets, the Group also has small rental operations in the United States. The Group's rental services comprise short- or long-term rental agreements for the Group's equipment, combined with services such as assembly, disassembly, maintenance, operational assistance, engineering, transport and insurance. The Rental business area also includes sales of used construction products produced by the Group, predominantly sourced from replacements and adjustments of capacity in the rental fleets and, to a lesser extent, from trade-ins and buy-backs.

Within its key markets, the Group's market share based on sales is estimated at approximately 25% in 2014 (*Cardo Partners estimates, 2015*). The revenues from the Group's Rental business area amounted to SEK 428.9 million in 2008, SEK 400.1 million in 2009, SEK 315.5 million in 2010, SEK 277.1 million in 2011, SEK 303.2 million in 2012, SEK 285.1 million in 2013 and SEK 278.5 million in 2014.[59]

In 2014, 58% of the Rental business area's revenue came from Europe, 31% from Asia-Pacific, 8% from the Americas and 3% from the rest of the world.[60]

Service and Used Product Offerings

The Group offers its construction products for rent to customers in France, Benelux, Germany and Australia either directly or through its rental partners. In connection with the rental of its construction products, the Group offers its customers a full range of service support that encompasses supervising a project from its conception to completion. The Group's project manager and trained personnel can analyze the customer's requirements, identify a tailored solution and determine which of the Group's products best meets the customer's needs. The Group's experts are also available to provide on-site training to customers. In addition, the Group's offering includes transportation of the product to the site and assembling, servicing and disassembling the product.

The Group's used product sales largely originate from its own rental fleets, where the Group offers units of various ages, capacities and specifications. The products offered for sale come in two classes: select and premium. Within the Group's select class, the products undergo a strict safety, component and mechanical check, along with a functionality test to ensure correct operation of the product. Within its premium class, in addition to the select class services package, the Group offers its customers further in-depth refurbishing and a manufacturer's warranty on the renovated equipment.

Sales Process

The Group's customers ordinarily rent construction products for specific projects and seek the Group's technical expertise to determine the best solution for the task. While some customers request that the Group directly assist them with the planning, assembly, maintenance and disassembly of the products within the framework of a specific project, others, such as construction companies, typically rent the equipment without purchasing the supplemental service support. The timing of rental order placements typically varies by market and project size. While advanced rental orders result in a degree of order visibility, order lead times tend to be shorter than in the Industrial Equipment business area.

Customers and Distribution

The Rental business area has a highly fragmented customer base, ranging from large construction companies to small companies that typically stock equipment for small scale projects. The Group's distribution structure within the Rental business area consists solely of end customers, such as construction companies, façade companies and equipment owners.

Brand Proposition

The Group's portfolio consists of five main brands: Alimak, Hek, Heis-Tek, Champion and Scando. The Group provides its products and services predominantly under the Alimak, Hek and Heis-Tek brands. Alimak and Hek are global brands under which the Group designs and sells its premium and mid-market products focusing on rack-and-pinion technology. The brands have been marketed to customers for more than 65 years and are associated with the introduction of the first rack-and-pinion

59 The Group's Rental revenue for the years ended December 31, 2012 and 2008 represents unaudited financial information. The Group's revenue information for the years ended December 31, 2011, 2010 and 2009 has been derived from the audited consolidated financial statements of Apolus Holding AB, the Company's largest shareholder, as of and for the years ended December 31, 2011, 2010 and 2009, which have been prepared in accordance with IFRS.

60 This information represents unaudited financial information.

driven construction hoist. In particular, the Alimak brand focuses on industrial elevators and construction hoists and the Hek brand covers work platforms as well as dual function transport platforms and material hoists. The Group's Heis-Tek traction elevator brand has over 20 years of customer recognition in the vertical access solutions market, particularly in its application in the oil and gas offshore end market, where safety and reliability are key.

The Group believes that its Alimak and Hek rack-and-pinion elevator, hoist and work platform brands and its Heis-Tek traction elevator brand are recognized for their strong safety record, reliability, durability and high quality.

Safety and Reliability

Safety and reliability are essential characteristics of all products sold under the Group's brands. With over 65 years of industry experience across geographies and end markets, the Group provides well-tested and reliable engineering solutions to customers. Many of the Group's products feature overload protection and over-speed safety devices, which ensure the safety of the operator and also prolong the working life of the equipment. All of the Group's safety devices are tested in specially designed testing facilities prior to shipment from the production facilities.

Quality

The quality of the Group's products is one of the key features that distinguish the Group from its competitors. The Group's stringent control system ensures the high quality of its products, which is evidenced by various domestic and international certifications for the Group's product quality. The Group's manufacturing facilities in Skellefteå, Sweden, and Changshu, China, received ISO 9001:2008 certification for the quality management system, and its manufacturing facility in Skellefteå, Sweden, received OHSAS 18001 certification for the occupational health and safety management system. The Group's quality control procedures start with quality assurance of parts and components, which includes evaluation of the Group's suppliers and inspection of parts and components upon their arrival at the Group's facilities. All components used in the Group's products are subject to wear-and-tear testing to ensure longevity, performance and quality. The Group believes that its extensive product testing and its industry certifications demonstrate the technological capabilities of the Group's manufacturing processes and help to foster customer confidence.

Wear-Resistance

The Group uses advanced materials and employs market leading technologies and designs to ensure the wear-resistance and durability of its products and parts. The Group believes that wear-resistance and durability present important purchasing criteria, particularly for industrial products within mature and emerging markets.

Customers and Geographic Breakdown

The Group has a large number of customers distributed among several key markets across more than 50 countries.

The following map illustrates the Group's global sales and distribution network:

Source: Company information.

(1) China manufacturing site comprises two neighboring facilities.

The revenue by geography in 2014 was 38.7% in Europe, 28.7% in the Americas, 28.3% in Asia-Pacific, and 4.2% in the rest of the world, respectively.

In relation to the Group's industrial and construction customers, the customer agreements are generally project specific and based on the customers' template contract agreements. In its After Sales business area, the Group enters into global master service agreements with some customers, as well as local master service agreements with others. The agreements with the customers in the Rental business area are generally standardized and based on the Group's template agreements.

Furthermore, through a series of guarantee arrangements and upon request, the Group also offers its customers performance and warranty bonds to guarantee that the Group will fulfill its obligations under the contract or solve warranty issues during the specified warranty period. The typical duration of a performance bond is approximately 12 months from the start of performance, while the typical duration of warranty bonds may range from 12 to 24 months from the product's delivery to the customer. However, the duration of performance and warranty bonds varies between business areas and projects.

The Group's customers benefit from special technical consultations with the Group's experts and from products and service bundles that are tailored to meet customer requirements. The Group believes that its long-standing relationships with many of its customers are based on the Group's extensive expertise, application know-how, comprehensive product and services offerings and global sales and service network.

Manufacturing

The Group's production operations generally entail a high level of direct labor, including welding, machining, laser cutting and assembly. The Group has established a highly competitive cost base with optimized manufacturing, design and sourcing in Sweden and China. In 2010, the Group initiated a manufacturing footprint optimization program to increase the efficiency of its manufacturing processes and reduce manufacturing costs. Within the framework of this program, the Group ceased operations at its manufacturing facility in Middlebeers, Netherlands, in 2010, and, in 2011, the Group wound down its manufacturing facility in Houston, USA. The manufacturing operations were moved to facilities in Skellefteå, Sweden, and Changshu, China.

The Group believes it has put in place an efficient and well-invested production platform to service all applications in both mature and emerging markets.

The Group continues to integrate and streamline its manufacturing in Sweden and China to strengthen its footprint in emerging markets and to focus on utilizing the Group's lower cost of manufacturing in China. The Head of Global Manufacturing is responsible for both the Swedish and Chinese facilities to ensure the quality of operations and optimal production at both facilities.

Swedish Manufacturing

The Group has a 33,000 square meter modern manufacturing facility in Skellefteå, Sweden, which has been operated by the Group since 1951. As of March 31, 2015, the Group's Skellefteå facility had over 300 employees. The Group's Swedish facility primarily manufactures premium products for mature markets. The plant maintains a flexible cost base and has highly skilled personnel with significant work experience. There is a high degree of automation built around CNC machining using computer aided design software, robot cells for mast and component welding, laser cutting systems and an automatic rack cutting machine. The Group believes its facilities in Sweden hold sufficient capacity to meet current customer demand. Moreover, the Group estimates that further capacity could be released and additional production hours can be utilized by reallocating volumes between machines.

Chinese Manufacturing

The Group's first manufacturing facility in Changshu, China, commenced its operations in 2007. In the third quarter of 2014, the Group expanded its manufacturing capacity by including a new production facility in Changshu, China. Two production sites in China are operating closely together with the first facility focusing on cage production and the second facility focusing on component and mast sections production. As of March 31, 2015, the Group's employee count at the facilities in China comprised over 250 employees. A wide range of the Group's products are produced in China and sold both domestically and to export markets, with a particular focus on Hek platforms and light industrial elevators as well as mid-market hoists. The Group's facility in China is fully equipped to produce cages and platforms for emerging markets and is geared to meet the requirements of customers based across emerging markets. The Group made a number of investments to increase capacity at both Chinese manufacturing sites. Going forward, the Group aims to upgrade the production at its Chinese facilities each year both in terms of capacity and productivity to ensure production of the projected volumes. While the Group's production operations in China generally entail a high level of manual labor, the Group aims to increase the level of automation in the facilities. In line with its strategic plan, in 2015, the Group aims to focus its investments on increasing automation in China and, in 2016, on research and development as well as expansion of its manufacturing capacity.

Sourcing

The Group's production operations source parts and components made of steel, drive units, electronics, cables and other components. The steel based parts the Group requires include pipes for the construction of masts, plates and sheets for hoist cars. The Group generally sources steel based components from well-known European and Asian mills and manufacturers. The Group obtains its parts and components from a variety of high quality suppliers, and generally from more than one supplier within its countries of production. In 2014, the Group's top five suppliers from mature markets comprised 25% of the Group's purchases in mature markets and the Group's top five suppliers from low-cost countries comprised 13% of the Group's purchases in emerging markets. The importance of specific suppliers varies from year to year. While the Group in the past has built strong relationships with its suppliers, it periodically tests new suppliers with spot contracts in order to ensure it has a variety of suppliers available. The Group sources drive units, electronic components and cables from contracted suppliers, and such components typically require less in-house refinement than steel based components. In addition, the Group internally manufactures a number of components, in particular the critical equipment parts. To minimize the impact of price increases in steel based parts and components, the Group utilizes price adjustment mechanisms built into its contracts with suppliers.

In Sweden, the Group's sourcing for its production operations is based on long-standing relationships with local as well as international suppliers. With its key suppliers, the Group has framework contracts in place for certain main components, such as steel based components for mast production.

In China, the Group's local operations source materials and components for the production of products for both emerging and mature markets. The Group employs local sourcing experts to enable low-cost production, while retaining quality and reliability among the supplier base.

Logistics

The Group's global business model is designed to ensure proximity to customers and timely product and service deliveries. In addition to the Group's production facilities in Sweden and China, the Group operations reach more than 70 locations varying in type and size, including its own sales and service offices as well as distributors across more than 50 countries. While some of the Group's logistics operations are centrally managed, with deliveries going directly from the Group's production facilities to its end customers, in other cases the local units organize logistics independently for local end customers' deliveries and services. As many industrial elevator deliveries are project-based and require tailored assessments, delivery is organized on a case-by-case basis.

The Group receives most of its incoming component deliveries at its production facilities in Sweden and China. Steel based components make up the vast majority of all incoming deliveries. Each of the Group's production facilities also receives deliveries of non-steel items, such as drive units, electronics and cables at regularly scheduled intervals organized on an order basis.

The Group delivers a substantial amount of its products globally to various distributors as well as customers. In order to minimize the environmental impact of the Group's operations, the majority of the Group's products are sent via rail or boat and then packaged onto trucks for onward delivery.

Research and Development

The Group closely integrates research and development with marketing, sales, manufacturing and customer driven product engineering in meeting the needs of its customers and maintaining an up-to-date product portfolio. Its product engineering teams work to continuously enhance the existing products and develop new products and product applications for the growing base of customers. The Group's production facilities in Sweden and China have cost-efficient production and sourcing with research and development capabilities. The Group believes that these capabilities provide a significant competitive advantage in the development of vertical access solutions across applications in mature and emerging markets. The Group's product engineering teams focus on:

- developing new products, devices and applications; and
- re-designing existing product lines to increase their efficiency or enhance their performance to cost ratio.

Some of the Group's past and current examples of research and development initiatives include:

- *Construction Equipment*: Standard construction hoists targeting the mid-market segments in emerging markets and Europe.
- *Industrial Equipment*: Light service elevator, basic explosion-proof elevator and extreme temperature elevator.
- *After Sales*: New safety device concept for replacement needs across elevators, hoists, platforms and remote monitoring applications.

Intellectual Property Rights, Patents, Licenses and Trademarks

The Group's principal intellectual property rights are its trademarks, in particular the Group has five registered trademarks that are of material importance to its business, consisting of Alimak, Hek, Heis-Tek, Champion and Scando. The Group uses those trademarks to promote, identify and position its products and services. The Group also holds several patents and licenses, primarily related to its machines and applications in the Group's Industrial Equipment and Construction Equipment business areas. Some examples of the Group's patents include a patent for a safety arrangement for an elevator car, an interlock mechanism for a landing door, a power supply system for rack-and-pinion elevators and a method for their powering and an elevator interlocking mechanism. The Group believes that none of its patents or licenses, either individually or in the aggregate, are material to its business as a whole. The Group also has approximately 140 domain names, which it maintains in case it would like to expand its online presence.

The Group believes its ownership of its intellectual property is adequately protected under applicable laws. Although the Group may be involved in disputes concerning intellectual property ownership rights from time to time, it has no knowledge of any present infringement or any present claims of ownership of trademarks or other intellectual property rights that would materially affect its business. The Group intends to continue to vigorously defend its intellectual property rights against infringement or other threats to the greatest extent possible under applicable law. In addition, the Group educates and encourages its employees to detect potential infringement of its intellectual property rights and its research and development teams are trained to avoid potential patent or design infringement by third parties.

Employees

The following table sets forth the Group's average number of full-time equivalent employees for the periods indicated:

	Three months ended March 31	Year ended December 31						
	2015	2014(1)	2013	2012	2011	2010	2009	2008
Total average employees	1,072	996	865	810	769	751	887	1,007

(1) 2014 includes employees from newly consolidated company Heis-Tek.

As of December 31, 2014, 2013 and 2012, the Group had 1,079, 893 and 830 full-time equivalent employees, including 338, 344 and 305 employees in the selling, general and administrative (SG&A) segment, respectively.

The following table sets forth the geographic breakdown of the Group's average number of full-time equivalent employees for the periods indicated:

	Year ended December 31		
	2014	2013	2012
Europe(1)	562	498	477
APAC(2)	330	267	229
Americas(3)	104	100	104
Total	**996**	**865**	**810**

(1) Consisting of Sweden, Holland, Belgium, France, England, Germany, Italy and, for the year ended December 31, 2014, also including Norway.
(2) Consisting of Korea, Singapore, Malaysia, Australia, China and India.
(3) Consisting of the United States and Brazil.

In some jurisdictions, such as Sweden, the United Kingdom and China, the Group's employees are unionized or represented by works councils and/or covered by collective bargaining agreements. To date, the Group has not experienced any work stoppages or strikes that have had a material adverse impact on its business.

Insurance

The Group has insurance coverage through various insurance policies, covering employer's liability, product liability, environmental liability, business interruption insurance, and property and transport insurance. The Group has also taken out a directors' and officers' (D&O) liability insurance policy.

Management believes that the Group is adequately insured and that it pays appropriate premiums for this coverage. The Group evaluates its insurance coverage on an annual basis and adjusts it as necessary. The Group could, however, suffer damages that are not covered by the existing insurance policies or that exceed the coverage limits set in these policies. Furthermore, there is no guarantee that the Group will also be able to obtain adequate insurance coverage on appropriate terms in the future.

Regulation

The Group's operations and products must comply with certain regulatory requirements in the jurisdictions in which the products are sold and manufactured. The Group's manufacturing facilities are subject to operational licenses in jurisdictions where they are located. In connection with its newly acquired operational facility in Changshu, China, the Group has applied for and is currently in the process of obtaining a pollutant discharge permit from the local authorities. Failure to obtain such permit or, in the future, renew it in a timely manner may subject the Group to warnings, monetary fines or other penalties, including orders to stop discharging pollutants. Even if all necessary certificates and permits are issued, these certificates, permits and other approvals could have conditions and restrictions that could adversely affect the Group's business and require additional investment and time commitment from the Group, For further information, see "*Risk Factors — The Group's licenses, permits, authorizations or third-party certifications may be suspended, amended, terminated or revoked prior to their expiration, and the Group may be unable to obtain or maintain various other permits or authorizations*". Aside from the procedures discussed above, the Group has been able to obtain and extend licenses, permits and authorizations necessary to carry out its current operations.

In the European Union, for example, the Group's products are subject to certain regulations under European product safety legislation. This includes in particular Directive 2006/42/EC on machinery and Directive 1995/16/EC on lifts, as well as national legislation implementing these directives. The Group must ensure that its products comply with similar regulatory requirements in other jurisdictions in which it operates.

The Group uses self-certification (for example, EC declaration of conformity) and third-party certification by independent bodies (for example, ISO 9001:2000 and ISO 14001 type certificates) to satisfy mandatory declarations of conformity with product safety and quality regulations. These standards provide simplified procedures for complying with the defined legal requirements in a verifiable manner.

The Group is also subject to numerous other regulatory requirements. Exporting its products is subject to foreign trade law, including relevant import and export controls and, with regard to cooperation with distribution partners, to European Union's and other countries' competition rules. Technical standards, product safety regulations, environmental, export control and competition requirements relating to the Group's production sites, its products, export and sale of its products are constantly being reviewed and updated. The Group has in place internal policies and processes in order to comply with relevant regulatory requirements, document such compliance, respond to changes and incorporate regulatory changes at an early stage.

Health, Safety and Environmental ("HSE") Matters

The construction and operation of the Group's production sites as well as the work health and safety of its facilities are subject to regulatory requirements in the respective jurisdictions. Local managing directors are responsible for managing their operations in accordance with local legal and customer requirements, and compliance on the Group level is managed by the Group's Compliance Manager. In connection with its newly acquired operational facility in Changshu, China, the Group has applied for and is currently in the process of obtaining a pollutant discharge permit from the local authorities. For further information on the Group's licenses, permits and authorizations, among others, pertaining to HSE matters, see "*Risk Factors — The Group's licenses, permits, authorizations or third-party certifications may be suspended, amended, terminated or revoked prior to their expiration, and the Group may be unable to obtain or maintain various other permits or authorizations*". The Group has obtained all other material environmental permits to conduct its manufacturing activities in Sweden and China. In addition, the Group's Swedish production facilities and offices in the United Kingdom have earned ISO 14001 certification for their environmental management system, reflecting the Group's commitment to environmentally sustainable operations and ambition to minimize the environmental impact of its products and processes.

The Group's production operations are subject to a range of HSE laws and regulations, including those relating to air and water emissions, waste management (including hazardous and toxic waste), contamination, chemical usage and occupational health and safety. The following provides a brief summary of certain key HSE requirements that apply to the Group's operations, with particular focus on the laws applicable in the European Union. It should be noted that laws and regulations not discussed below may also apply:

Air emissions. The Group's air emission impact consists of emissions from its use of solvents in painting as well as emissions from welding and shot blasting. All of the Group's production emissions pass advanced filters before leaving the facility and the Group regularly requests external analysis to ensure that emissions meet local regulations and are minimized.

Waste and hazardous waste (including wastewater). The Group is subject to environmental laws and regulations relating to the production, possession and handling of waste, including hazardous waste, the use of public water resources and the discharge of wastewater. Non-hazardous waste materials are collected and, wherever practical, re-used or recycled. In its manufacturing, the Group also generates limited quantities of hazardous wastes, primarily associated with solvents, lubricants and cutting oils/fluids. Wastewater in the Group's production process is mainly generated from cleaning of components prior to painting, using a phosphate-based degreaser, and floor cleaning. All of the Group's operational sites provide for an adequate collection, treatment, recycling and disposal of waste in compliance with applicable laws and regulations, regularly by involving certified third-party waste disposal companies.

Soil contamination. The Group's operations entail the use of chemicals and other hazardous substances on its sites, which could result in soil contamination. Under respective national laws, liability for soil contamination can be imposed not only on the owner of the contamination source, but also on other parties, such as the former owner or the party having control of the premises at a relevant time. Thus, the Group could be affected by such liabilities, even regarding sites formerly owned or operated by it. Some of the Group's former and existing production sites have been used in industrial operations for long periods of time, which increases the likelihood that historical contamination exists at these production sites. Historical contamination could result in clean-up obligations for the Group if the purpose for which the land is used changes or if excavations are performed in areas where such historical contamination exists. Soil contamination has been identified on the Group's former site in Middlebeers, the Netherlands, where it engaged in manufacturing operations until 2010 and rental, servicing and selling operations until the end of 2014. The site underwent remediation and follow-up monitoring in the period between 1995 and 2013. The discovery of additional contamination or the imposition of subsequent clean-up obligations at this or other sites in the future could result in significant additional costs for the Group.

Chemical usage. The Group uses chemicals in the manufacture of its products, as well as in preparations that the Group blends and markets for the maintenance of its products. The Group is subject to Regulation (EC) 1907/2006/EC on the Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**"), which came into force on June 1, 2007. REACH created the European Chemicals Agency (the "**ECHA**") to manage all tasks related to it and to coordinate the necessary measures as well as to ensure a consistent implementation of the regulation at the community level. Pursuant to REACH, companies are required to bear most responsibilities to manage the risks posed by chemicals and provide appropriate safety information to their users. This includes testing, evaluation, assessment and registration of basic chemicals and chemical intermediates in a central database. REACH will be phased in over a period of 11 years from 2007 to 2018, incorporating an extended registration deadline (depending on tonnage) for existing substances, conditional on each company pre-registering. REACH requires manufacturers and importers of chemical substances to report relevant information on their substances and to submit information to ECHA. Future changes in REACH requirements, such as restrictions or bans on highly dangerous substances, could result in additional obligations and costs. REACH is complemented by Regulation (EC) 1272/2008 of December 16, 2008, on classification, labelling and packaging of substances and mixtures (CLP), which requires companies to appropriately classify, label and package their substances and mixtures before placing them on the market.

The Group is considered a downstream user according to REACH, and thus is subject to a number of obligations, including: ensuring that the substances that it intends to place on the market on their own, in preparations or articles have been registered with ECHA; applying the Risk Management Measures (RMMs) for its uses of substances, which are to be specified by the EU suppliers in Safety Data Sheets (SDSs) or in Chemical Safety Reports (CSRs) prepared by downstream users themselves; where necessary, assessing its own uses, preparing a CSR and reporting certain information to the ECHA; and providing its customers with a SDS or, where a SDS is not required, other information as listed in REACH.

The Group uses over 200 different chemical substances and preparations within its manufacturing and ancillary processes. At the Group's Swedish operating site, a special Chemicals Group assesses and approves all chemicals used on-site. The site also maintains a chemical database, Chemweb, for the management of safety data sheets and associated information. The Group does not purchase any chemicals from non-EU suppliers. In addition, the Group blends and markets under its name several of its own chemical mixtures used for the maintenance of the Group's products: Alioil VC (lubricant), Alioil G (circulating/gear oil), Alimak Cog Grease and ALI-LOW-FRIC (low friction grease for cables).

Work health and safety. The rules for occupational health and safety are specified under the respective national legislation, including laws and regulations in China and Sweden. Swedish health and safety regulations impose a number of strict safety standards and place the main responsibility to take precautionary health and safety measures on the employer. Under the act, the employer is required to identify potential health and safety hazards, evaluate the potential risk to the employees and promote an occupational health and safety policy. The Group provides safety protection to all its employees working in its manufacturing facilities, which includes providing them with adequate safety equipment and ensuring that the Group's manufacturing facilities have adequate precautionary measures. The Group has an accident and incident reporting and investigation system in place. In addition, the Group provides safety-related education to its employees to increase awareness as to safety in the workplace.

Real Estate and Properties

The following table lists the Group's primary facilities as of March 31, 2015, indicating the location, owner/lessee, ownership, area and principal use:

Location	Owner/Lessee	Owned/Leased	Area[1]	Principal Use
Skellefteå, Sweden[2]	Alimak Hek AB	Owned	33,000	Manufacturing facilities and offices
Paris, France[2]	Alimak Hek S A S France	Owned	24,871	Rental
Stockholm, Sweden	Alimak Hek Group AB	Leased	257	Sales offices
Westelbeersedijk, Netherlands	Alimak Hek BV	Leased	27,800	Sales offices
Tilburg, Netherlands	Alimak Hek BV	Leased	9,327	Office, storage and rental
Rushden, United Kingdom	Alimak Hek Ltd UK	Leased	1,300	Sales offices
Webster, TX, USA	Alimak Hek Inc	Leased	2,295	Sales offices
Watkinsville, GA, USA	Alimak Hek Rental Group	Leased	12,605	Rental
Seongnam, South Korea	Alimak Hek Ltd KOR Office	Leased	218	Sales offices
Gamgok-myeon, South Korea	Alimak Hek Ltd KOR Yard	Leased	2,500	After Sales services and sales offices
São Paulo, Brazil	Alimak Hek Ltda Brazil	Leased	96	Sales offices
Singapore	Alimak Hek Pte Ltd SGP	Leased	544	Sales offices
Subang Jaya, Malaysia	Alimak Hek Pte Ltd MYS	Leased	669	Sales offices
Secunderabad, India	Alimak Hek Pty Ltd India	Leased	120	Sales offices
Melbourne, Australia	Alimak Hek Pty Ltd AU MEL	Leased	2,109	Sales offices and rental facility

Location	Owner/Lessee	Owned/Leased	Area(1)	Principal Use
Sydney, Australia	Alimak Hek Pty Ltd AU SYD	Leased	2,363	Sales offices and rental facility
Brisbane, Australia	Alimak Hek Pty Ltd AU BNE	Leased	2,347	Sales offices and rental facility
Gladstone, Australia	Alimak Hek Pty Ltd AU GLT	Leased	125	Sales offices and rental facility
Colle di Val d'Elsa, Italy	Alimak Hek S.R.L Italy	Leased	3,238	Sales offices
Changshu, China	Alimak Hek V A E China 1	Leased	11,766	Manufacturing facilities and offices
Changshu, China	Alimak Hek V A E China 2	Leased	7,380	Manufacturing facilities and offices
Eppingen, Germany	Alimak Hek GmbH /Eppingen	Leased	1,762	Sales offices
Eppingen, Germany	Alimak Hek GmbH /Eppingen	Leased	500	Sales office
Berlin, Germany	Alimak Hek GmbH/ Berlin	Leased	2,008	Rental facility
Dortmund, Germany	Alimak Hek GmbH/Dortmund	Leased	2,240	Rental facility

(1) Approximate size of facilities (square meters) including the outdoor and site areas, where applicable.
(2) The Group's fixed assets in Skellefteå and Paris are pledged in favor of Svenska Handelsbanken AB (publ) under the Group's current loan facility.

Material Litigation

The Group conducts operations in several countries and is, from time to time, subject to disputes and claims as a part of the ordinary course of business. Other than the cases outlined below, the Group has not been party to any legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Company is aware of) during the previous 12 months which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

Criminal Proceedings Against Alimak Hek (Belgium) and Alimak Hek BV (Netherlands)

On September 20, 2012, criminal proceedings were initiated in Belgium with the Liège Court of First Instance against, among others, Alimak Hek (Belgium) and Alimak Hek BV (Netherlands). The criminal allegations relate to the collapse of a Hek platform on a construction site in Liége, Belgium, on September 14, 2010, which resulted in two fatalities and multiple injuries. On November 25, 2013, Alimak Hek BV (Netherlands) was found liable for the accident on the grounds that the Alimak platform featured a manufacturing defect in the welding joints connecting the platform to the support device. The Court found Alimak Hek BV (Netherlands) guilty on two counts of criminal charges, imposing criminal fines in the amount of approximately EUR 36,000. Alimak Hek (Belgium) was acquitted on all charges. Alimak Hek BV (Netherlands) appealed the decision on December 6, 2013. Proceedings are currently ongoing. The Group has not made any provisions in the accounts for this claim.

Accident Liability Claims Against Alimak Italy Srl and Alimak Hek BV in Italy

The Group is involved in several liability claims arising from a collapse of a Hek platform on a construction site in Italy, on October 25, 2010, where a CT platform fell to the ground and resulted in injuries to four individuals. The total claim amounts to approximately EUR 2.4 million. Proceedings are currently ongoing. The Group has not made any provisions in the accounts for this claim.

Accident Liability Claim Against Alimak Hek BV and Alimak Hek Group AB in France

The Group is involved in a liability claim arising from an alleged defect in a Hek platform and a subsequent accident on a construction site in France on April 27, 2010, resulting in the death of one person. Proceedings are currently ongoing. The Group has not made any provisions in the accounts for this claim.

Damages Claims by AlShaya Trading Company W.L.L

In 2014, the Group's Kuwaiti distributor, AlShaya Trading Company W.L.L, initiated proceedings against Alimak Hek AB for damages in the amount of approximately SEK 3.3 million for an alleged wrongful termination by Alimak Hek AB of a distributor agreement (claim for damages in the amount of approximately SEK 1.8 million and claim for the repurchase of spare parts and other equipment in the amount of approximately SEK 1.5 million). Alimak Hek AB has contested the claims in their entirety. Currently the parties are in negotiations to reach a settlement. The Group has not made any provisions in the accounts for this claim.

PRESENTATION OF FINANCIAL INFORMATION

Presentation of Financial Information on the Company and Kamila Holding AB

The Prospectus contains:

- the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 (which statements include the unaudited consolidated financial statements of the Company as of and for the year ended December 31, 2012, presented for comparative purposes), including the notes thereto, included elsewhere in the Prospectus, which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**") and have been audited by the Company's independent auditors, Ernst & Young AB as stated in their report appearing elsewhere herein;
- the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012, including the notes thereto, included elsewhere in the Prospectus, and the audited consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2012, including the notes thereto, incorporated by reference into the Prospectus, which have been prepared in accordance with IFRS, and have been audited by Kamila Holding AB's independent auditors, Ernst & Young AB for the financial year ended December 31, 2013, as stated in their report appearing elsewhere herein, and Deloitte AB for the financial year ended December 31, 2012, as stated in their report incorporated by reference into the Prospectus; and
- the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, included elsewhere in the Prospectus, which have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") on the same basis as the Audited Consolidated Financial Statements and reviewed by the Company's independent auditors, Ernst & Young AB, as stated in their report appearing elsewhere herein.

For the period between the years ended December 31, 2011, 2012 and 2013, the Group presented audited consolidated financial statements at the level of Kamila Holding AB, a holding company and a wholly owned subsidiary of the Company. Audited consolidated financial statements have been presented on the Company level as of and for the years ended December 31, 2014 and 2013, which statements include the unaudited consolidated financial statements of the Company as of and for the year ended December 31, 2012 as comparative information. Reviewed, but unaudited interim consolidated financial statements have been presented on the Company level as of and for the three months ended March 31, 2015 and 2014. In order to provide a meaningful comparison for the period under review, financial information presented in the Prospectus, including "*Summary Consolidated Financial and Other Data"* and *"Operating and Financial Review"*, has been derived from the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012, and the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013. For further information regarding the Group's structure, see "*Legal Considerations and Supplementary Information — Legal Group Structure*".

The consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012 differ from those that have been prepared by the Company, mainly due to shareholder loans provided by Apolus Holding AB to the Company, which amounted to SEK 835.3 million as of December 31, 2013 and SEK 759.4 million, as of December 31, 2012. The shareholder loans result in material differences in financial expenses (SEK 76.0 million as of December 31, 2013), deferred tax receivables (SEK 66.0 million as of December 31, 2013), total equity (SEK 508.0 million as of December 31, 2013) and total liabilities (SEK 557.2 million as of December 31, 2013). For a reconciliation of the net profit/loss for the period, total equity, liabilities and assets as well as cash at end of the period for Kamila Holding AB and the Company for the year ended December 31, 2013, see "*Summary Consolidated Financial and Other Data — Reconciliation of Kamila Holding AB to the Company*".

The Prospectus also contains the Group's revenue information for the years ended December 31, 2011, 2010, 2009 and 2008. This information has been derived from the audited consolidated financial statements of Apolus Holding AB, the Company's largest shareholder, as of and for the years ended

December 31, 2011, 2010, 2009 and 2008, which have been prepared in accordance with IFRS, and have been audited by Apolus Holding AB's independent auditors, Deloitte AB as of and for the years ended December 31, 2011, 2010, 2009 and 2008, as stated in their reports. For further information regarding the Group's structure, see "*Legal Considerations and Supplementary Information — Legal Group Structure".*

Financial information marked as "unaudited" in the Prospectus was either derived from the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, the Company's internal accounting system or calculations based on unaudited amounts from the abovementioned sources.

Non-IFRS Financial Measures

Throughout the Prospectus, the Company presents certain financial measures and adjustments that are not presented in accordance with IFRS or any other internationally accepted accounting principles, including net capital expenditure, net working capital, operating cash flow, EBITDA, cash conversion, return on capital employed (ROCE), capital employed and net debt.

The Group has defined each of the following non-IFRS financial measures as follows:

- "**Net capital expenditure**" is defined as a sum of new acquisitions in tangible assets, consisting of land and buildings, plant and machinery, inventories and tools and equipment for lease, and new acquisitions in intangible assets, consisting of capitalized expenditure for development and similar work, and trademarks, less proceeds from disposal of tangible assets;
- "**Net working capital**" is defined as a sum of inventories and accounts receivable – trade less accounts payable – trade and advance payments from customers;
- "**Operating cash flow**" is defined as sum of EBITDA and change in net working capital less net capital expenditure;
- "**EBITDA**" is defined as operating profit/(loss) (EBIT) for the period before depreciation and amortization;
- "**Cash conversion**" is defined as the ratio of operating cash flow and EBITDA;
- "**Return on capital employed (ROCE)**" is defined as the ratio of operating profit (EBIT) and average capital employed over the last twelve month (LTM) period;
- "**ROCE excluding goodwill**" is defined as the ratio of operating profit (EBIT) and average capital employed over the last twelve month (LTM) period less goodwill;
- "**Capital employed**" is defined as the sum of total equity, shareholder loans and net debt; and
- "**Net debt**" is defined as the sum of long-term and short-term interest bearing liabilities less cash at the end of the period.

The non-IFRS financial measures presented herein are not recognized measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of the Group's business and operations. The Company has presented these non-IFRS measures in the Prospectus because it considers them to be important supplemental measures of its performance and believes that they are widely used by investors comparing performance between companies. Since not all companies compute these or other non-IFRS financial measures in the same way, the manner in which the Company's management has chosen to compute the non-IFRS financial measures presented herein may not be comparable with similarly defined terms used by other companies. One should exercise caution in comparing non-IFRS measures to IFRS measures or to similar non-IFRS measures reported by other companies.

The non-IFRS measures presented in the Prospectus should not be considered in isolation, one should not consider such items as an alternative to the historical financial results or other indicators of the Group's performance or liquidity based on IFRS. Even though the non-IFRS financial measures are used by management to assess the Group's financial position, financial results and liquidity, and these types of measures are commonly used by investors, they have important limitations as analytical tools, and one should not consider them in isolation or as substitutes for analysis of the financial position or results of operations as reported under IFRS.

Key Operating Metrics

Throughout the Prospectus, the Company presents certain key operating metrics. It believes that these metrics are helpful in understanding its performance from period to period and facilitate comparison with the Company's peers. The key operating metrics included in the Prospectus are defined as follows:

- "**Installed base**" is defined as the Group's own industrial and construction equipment, installed by the Group or a third-party, calculated on the basis of the Group's available sales and installation records and based on the estimated life cycle of 25-30 years for industrial elevators and 25 years for construction equipment.
- "**Order intake**" is defined as the total value of customer orders during a specific period. An order is defined as a confirmed purchase order from a customer, when the order is signed by the customer. To be included in order intake, the order should not contain any material contingencies, which allow the customer to cancel the order at any time and at no cost. Some orders have the character of being frame agreements, where a total estimated frame amount is agreed, but there is no binding agreement for the customer to purchase for the whole agreed amount. In this case, the total agreed amount is not booked as order intake, but instead the value is booked as order intake when the customer places orders under the frame agreement.

Currency

In the Prospectus, all references to: (i) "**EUR**" or "**€**" are to euro, the single currency of the member states (the "**Member States**") of the European Union participating in the European and Monetary Union of the European Union having adopted the euro as its lawful currency; (ii) "**SEK**" are to the lawful currency of the Kingdom of Sweden; (iii) "**USD**" and "**U.S. dollar**" are to the lawful currency of the United States; (iv) "**AUD**" are to the lawful currency of Australia; (v) "**GBP**" are to the lawful currency of the United Kingdom, (vi) "**NOK**" are to the lawful currency of the Kingdom of Norway, and (vii) "**CNY**" are to the lawful currency of the People's Republic of China.

Other Data

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.

Rounding

Certain figures in the Prospectus have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them. In addition, certain percentages presented in the tables in the Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The tables below set out summary consolidated financial information of the Company as of and for the three months ended March 31, 2015 and 2014 and as of and for the years ended December 31, 2014 and 2013. The financial information presented as of and for the year ended December 31, 2012 is that of Kamila Holding AB. Financial information for Kamila Holding AB is also presented as of and for the year ended December 31, 2013 for comparative purposes. For a description of the differences between the consolidated financial statements of the Company and Kamila Holding AB, see "Presentation of Financial Information." The summary consolidated financial and other data should be read in conjunction with "Operating and Financial Review" and the consolidated financial statements of the Company and Kamila Holding AB, and the notes related thereto, included elsewhere in the Prospectus and incorporated by reference.

Income Statement

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	**2014 Alimak Group (unaudited)**	**2014 Alimak Group (audited)**	**2013 Alimak Group (audited)**	**2013 Kamila Holding (audited)**	**2012 Kamila Holding (audited)**
Revenue	462.3	343.3	1,742.5	1,517.1	1,517.1	1,498.3
Cost of goods sold	(274.6)	(196.8)	(1,000.7)	(858.9)	(858.9)	(871.9)
Gross profit/loss	**187.7**	**146.5**	**741.8**	**658.3**	**658.3**	**626.4**
Selling expenses	(60.9)	(51.3)	(235.1)	(199.4)	(199.4)	(195.9)
Administrative expenses	(45.6)	(35.3)	(184.3)	(152.0)	(152.0)	(255.8)
Development costs	(9.2)	(9.2)	(34.7)	(39.6)	(39.6)	(37.3)
Operating profit/(loss) (EBIT)	**72.0**	**50.7**	**287.7**	**267.3**	**267.3**	**137.5**
Profit/loss from financial investments						
Financial income	8.4	7.1	28.7	15.9	15.9	6.2
Financial expenses	(73.0)	(42.1)	(224.6)	(164.3)	(88.3)	(77.8)
Profit/loss before tax	**7.4**	**15.7**	**91.7**	**118.9**	**194.9**	**65.9**
Tax	(2.7)	(7.9)	(45.2)	(39.9)	(56.6)	(30.1)
Profit/loss for the year	**4.7**	**7.8**	**46.5**	**79.0**	**138.3**	**35.7**

Balance Sheet

	As of March 31		As of December 31			
			(SEK in millions)			
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
ASSETS						
Fixed Assets						
Intangible assets						
Capitalized expenditure for development and similar work, and trademarks	1.2	1.6	1.3	2.0	2.0	3.2
Goodwill	1,715.8	1,552.7	1,702.4	1,552.6	1,552.6	1,560.1
	1,717.0	**1,554.4**	**1,703.7**	**1,554.6**	**1,554.6**	**1,563.2**
Tangible assets						
Land and buildings	43.2	45.1	44.0	45.7	45.7	46.3
Plant and machinery	65.8	46.9	61.3	47.8	47.8	45.2
Equipment, tools, fixtures and fittings	31.0	20.4	30.0	18.5	18.5	18.1
Equipment for lease	138.7	144.4	141.3	148.8	148.8	170.4
	278.8	**256.8**	**276.6**	**260.8**	**260.8**	**280.0**
Other assets						
Deferred tax receivable	115.9	100.0	96.0	90.6	24.6	48.9
Other long-term receivables	9.4	2.7	8.1	3.1	16.9	20.2
	125.3	**102.7**	**104.2**	**93.8**	**41.4**	**69.0**
Total fixed assets	**2,121.0**	**1,913.9**	**2,084.4**	**1,909.1**	**1,856.8**	**1,912.3**
Current Assets						
Inventories etc.						
Raw materials and consumables	n.a.	n.a.	106.3	101.8	101.8	107.1
Products in progress	n.a.	n.a.	83.8	74.7	74.7	58.8
Finished products and goods for resale	n.a.	n.a.	122.9	75.1	75.1	81.5
	380.3(1)	**286.3**(1)	**313.0**	**251.7**	**251.7**	**247.4**
Current receivables						
Accounts receivable – trade	344.5	215.6	337.8	284.4	284.4	243.0
Tax receivables	7.1	1.6	7.7	1.5	1.5	2.0
Derivatives	0.0	0.0	0.0	6.2	6.2	26.0
Other receivables	87.8	90.3	85.7	77.2	77.2	41.0
Prepaid expenses and accrued income	55.7	45.3	40.6	13.9	18.1	21.3
	495.1	**352.8**	**471.9**	**383.1**	**387.4**	**333.4**
Cash and cash equivalents	**376.5**	**214.4**	**384.7**	**189.9**	**188.8**	**191.4**
Total current assets	**1,251.8**	**853.6**	**1,169.6**	**824.7**	**827.8**	**772.2**
TOTAL ASSETS	**3,372.9**	**2,767.5**	**3,254.0**	**2,733.8**	**2,684.6**	**2,684.4**

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
EQUITY AND LIABILITIES						
Equity						
Total equity	**914.2**	**685.8**	**864.2**	**673.4**	**1,181.4**	**1,059.7**(2)
Long-term liabilities						
Long-term borrowings	705.5	714.4	692.2	699.4	713.1	814.5
Liabilities to group companies(3)	941.0	855.4	918.8	835.3	n.a.	n.a.
Other long-term liabilities	0.6	11.2	0.5	11.4	11.4	2.7
Provisions for pensions	65.8	57.8	64.5	57.1	57.1	51.2(2)
Other provisions	44.7	22.7	47.0	22.6	22.6	23.0
Deferred tax liability	43.5	5.2	37.8	5.2	5.2	33.5(2)
	1,801.0	**1,666.7**	**1,760.8**	**1,631.0**	**809.5**	**924.9**(2)
Current liabilities						
Short-term borrowings	248.0	125.3	227.8	128.7	133.0	108.4
Bank overdraft facilities	n.a.(4)	n.a.(4)	20.8	44.7	44.7	42.9
Advance payments from customers	n.a.(5)	n.a.(5)	32.5	28.5	28.5	25.1
Accounts payable – trade	202.0	131.1	160.3	105.9	105.9	136.0
Tax liabilities	12.7	23.0	6.1	13.6	13.6	39.8
Derivatives	n.a.(6)	n.a.(6)	29.6	10.8	10.8	7.5
Liabilities to group companies(3)	n.a.	n.a.	n.a.	n.a.	260.1	235.3
Other liabilities	106.8	53.5	61.6	32.8	32.8	42.0
Accrued expenses and deferred revenue	88.1	82.1	90.3	64.2	64.2	62.8
	657.7	**415.0**	**628.9**	**429.4**	**693.7**	**699.8**
TOTAL EQUITY AND LIABILITIES	**3,372.9**	**2,767.5**	**3,254.0**	**2,733.8**	**2,684.6**	**2,684.4**

(1) Raw materials and consumables, products in progress and finished products and goods for resale are reported as "Inventories" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(2) As adjusted to reflect retrospective changes under IAS 19. See "*Operational and Financial Review – Critical Accounting Estimates and Judgments*".
(3) Presented as long-term liabilities in the consolidated financial statements of the Company for the years ended December 31, 2014 and 2013, and as current liabilities in the consolidated financial statements of Kamila Holding AB for the years ended December 31, 2013 and 2012.
(4) Included in "Short-term borrowings" for the respective periods.
(5) Included in "Accounts payable – trade" for the respective periods.
(6) Included in "Other liabilities" for the respective periods.

Cash Flow

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Cash flow from operating activities before change in working capital	70.0	51.8	297.0	181.2	181.2	210.2
Cash flow from operating activities	12.9	67.5	309.5	107.7	107.7	244.2
Cash flow from investing activities	(9.8)	(7.5)	(121.2)	(32.0)	(32.0)	8.4
Cash flow from financing activities	(24.1)	(32.2)	(18.2)	(73.3)	(73.3)	(214.0)
Cash and cash equivalents at end of the period	**376.5**	**214.4**	**384.7**	**189.9**	**188.8**	**191.4**

Reconciliation of Kamila Holding AB to Alimak Group AB (publ)

For the year ended December 31, 2013, the net profit/(loss) for the period for Kamila Holding AB and Alimak Group AB may be reconciled as follows:

	For the year ended December 31, 2013
	(SEK in millions)
Kamila Holding AB profit for the period	**138.3**
Financial expenses: Interest on shareholder loans from Apolus Holding AB	(76.0)
Tax: taxation adjustments	16.7
Alimak Group AB profit for the period	**79.0**

As of December 31, 2013, the total assets for Kamila Holding AB and Alimak Group AB may be reconciled as follows:

	As of December 31, 2013
	(SEK in millions)
Kamila Holding AB total assets	**2,684.6**
Deferred tax receivable	66.0
Other long-term receivables	(13.7)
Prepaid expenses and accrued income	(4.2)
Cash and cash equivalents: cash in Alimak Group AB	1.1
Alimak Group AB total assets	**2,733.8**

As of December 31, 2013, the total equity for Kamila Holding AB and Alimak Group AB may be reconciled as follows:

	As of December 31, 2013
	(SEK in millions)
Kamila Holding AB total equity	**1,181.4**
Share capital	(0.4)
Other capital contributed	795.0
Profit brought forward adjustment	**(1,243.3)**
Profit for the year	**(59.3)**
Alimak Group AB total equity	**673.4**

As of December 31, 2013, the total liabilities for Kamila Holding AB and Alimak Group AB may be reconciled as follows:

	As of December 31, 2013
	(SEK in millions)
Kamila Holding AB total liabilities	**1,503.2**
Long-term borrowings	(13.7)
Liabilities to group companies[(1)]	575.2
Short-term part of borrowings	(4.2)
Alimak Group AB total liabilities	**2,060.4**

(1) Consists of the shareholder loans from Apolus Holding AB to the Company, as reflected in the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013, and shareholder loans from Alimak Group AB to Kamila Holding AB, as reflected in the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012.

For the year ended December 31, 2013, the cash at the end of the period for Kamila Holding AB and Alimak Group AB may be reconciled as follows:

	For the year ended December 31, 2013
	(SEK in millions)
Kamila Holding AB cash and cash equivalents at end of the period	**188.8**
Cash in Alimak Group AB	1.1
Alimak Group AB cash and cash equivalents at end of the period	**189.9**

Key Information and Data

	As of and for the three months ended March 31		As of and for the year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Gross profit margin(1) (in %)	40.6	42.7	42.6	43.4	43.4	41.8
Operating profit (EBIT) margin(2) (in %)	15.6	14.8	16.5	17.6	17.6	9.2
Net capital expenditure(3)	10.0	7.5	59.2	35.4	35.4	1.7
Net working capital(4)	522.8	370.8	458.0	401.6	401.6	329.3
Operating cash flow(5)	10.2	85.8	220.6	209.2	209.2	n.a.
Cash conversion (in %)(6)	n.a.	n.a.	65.6	66.0	66.0	n.a.
ROCE (in %)(7)	13.4	n.a.	12.7	12.2	n.a.	n.a.
ROCE excluding goodwill (in %)(7)	46.4	n.a.	45.1	41.8	n.a.	n.a.

(1) Gross profit margin is defined as the ratio of gross profit and revenue.
(2) Operating profit (EBIT) margin is defined as the ratio of operating profit (EBIT) and revenue.
(3) Net capital expenditure is defined as a sum of new acquisitions in tangible assets, consisting of land and buildings, plant and machinery, inventories and tools and equipment for lease, and new acquisitions in intangible assets, consisting of capitalized expenditure for development and similar work, and trademarks, less proceeds from disposal of tangible assets.

Net capital expenditure is calculated as follows:

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
New acquisitions:						
Tangible Assets						
Land and buildings	n.a.	n.a.	1.5	2.4	2.4	1.3
Plant and machinery	n.a.	n.a.	23.0	19.0	19.0	10.0
Inventories and tools	n.a.	n.a.	14.6	4.7	4.7	4.6
Equipment for lease	n.a.	n.a.	26.8	12.2	12.2	32.3
Total new acquisitions in tangible assets	**9.9***	**7.7***	**65.9**	**38.3**	**38.3**	**48.2**
Intangible Assets						
Capitalized expenditure for development and similar work, and trademarks	0.1	0.0	0.8	0.3	0.3	1.8
Total capital expenditure	**10.0**	**7.7**	**66.7**	**38.6**	**38.6**	**50.0**
Less: Disposal of tangible assets	(0.0)	(0.2)	(7.5)	(3.2)	(3.2)	(48.3)
Net capital expenditure	**10.0**	**7.5**	**59.2**	**35.4**	**35.4**	**1.7**

* Land and buildings, plant and machinery, inventories and tools, equipment for lease are reported as "Investment in tangible fixed assets" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

(4) Net working capital is defined as a sum of inventories and accounts receivable – trade less accounts payable – trade and advance payments from customers. Net working capital is calculated as follows:

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	**2014 Alimak Group (unaudited)**	**2014 Alimak Group (audited)**	**2013 Alimak Group (audited)**	**2013 Kamila Holding (audited)**	**2012 Kamila Holding (audited)**
Inventories	380.3	286.3	313.0	251.7	251.7	247.4
Accounts receivable – trade	344.5	215.6	337.8	284.4	284.4	243.0
Accounts payable – trade	(202.0)	(131.1)	(160.3)	(105.9)	(105.9)	(136.0)
Advance payments from customers	n.a.*	n.a.*	(32.5)	(28.5)	(28.5)	(25.1)
Net working capital	522.8	370.8	458.0	401.6	401.6	329.3
Change in net working capital	(64.8)	30.8	(56.5)	(72.3)	(72.3)	n.a.

* Included in accounts payable – trade for the respective periods.

(5) Operating cash flow is defined as the sum of EBITDA and change in net working capital less net capital expenditure.

EBITDA is defined as operating profit/(loss) (EBIT) for the period before depreciation and amortization.

EBITDA is calculated as follows:

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	**2014 Alimak Group (unaudited)**	**2014 Alimak Group (audited)**	**2013 Alimak Group (audited)**	**2013 Kamila Holding (audited)**	**2012 Kamila Holding (audited)**
Operating profit/(loss) (EBIT)	72.0	50.7	287.7	267.3	267.3	137.5
Depreciation	13.0	11.8	48.6	49.6	49.6	76.3
EBITDA	85.0	62.5	336.3	316.9	316.9	213.8

Operating cash flow is calculated as follows:

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	**2014 Alimak Group (unaudited)**	**2014 Alimak Group (audited)**	**2013 Alimak Group (audited)**	**2013 Kamila Holding (audited)**	**2012 Kamila Holding (audited)**
EBITDA	85.0	62.5	336.3	316.9	316.9	213,8
Change in net working capital	(64.8)	30.8	(56.5)	(72.3)	(72.3)	n.a.
Less: Net capital expenditure	(10.0)	(7.5)	(59.2)	(35.4)	(35.4)	(1.7)
Operating cash flow	10.2	85.8	220.6	209.2	209.2	n.a.

(6) Cash conversion is defined as the ratio of operating cash flow and EBITDA. Cash conversion is calculated as follows:

	Year ended December 31			
	(SEK in millions)			
	2014 Alimak Group (audited)	**2013 Alimak Group (audited)**	**2013 Kamila Holding (audited)**	**2012 Kamila Holding (audited)**
Operating cash flow	220.6	209.2	209.2	n.a.
EBITDA	336.3	316.9	316.9	213.8
Cash conversion	**65.6**	**66.0**	**66.0**	**n.a.**

(7) Return on capital employed (ROCE) is defined as ratio of operating profit (EBIT) and average capital employed over the last twelve months. ROCE calculation for the year ended December 31, 2014 is based on operating profit (EBIT) and average capital employed, as of and for the years ended December 31, 2014 and 2013, as derived from the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013. ROCE calculation for the year ended December 31, 2013 is based on operating profit (EBIT) and capital employed, as of and for the year ended December 31, 2013, as derived from the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013.

In order to provide a meaningful comparison, ROCE calculation for the three months ended March 31, 2015 and 2014 is based on operating profit (EBIT) for the last twelve months (LTM), respectively, and average capital employed for the three months ended March 31, 2015 and 2014, as derived from the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

Capital employed is defined as a sum of total equity, shareholder loans and net debt. Net debt is defined as a sum of long-term and short-term interest bearing liabilities less cash at the end of the period.

Capital employed is calculated as follows:

	Three months ended March 31		Year ended December 31	
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)
Total equity	914.2	685.8	864.2	673.4
Shareholder loans	941.0	855.4	918.8	835.3
Net debt	576.9	625.2	556.1	682.9
Of which:				
Long-term interest bearing liabilities				
Long-term borrowings	705.5	714.4	692.2	699.4
Short-term interest bearing liabilities				
Short-term borrowings	248.0	125.3	227.8	128.7
Overdraft facility	n.a.*	n.a.*	20.8	44.7
Less: Cash at the end of the period	(376.5)	(214.4)	(384.7)	(189.9)
Capital employed	2,432.2	2,166.5	2,339.1	2,191.6

* Included in "Short-term borrowings" for the respective periods.

ROCE is calculated as follows:

	Three months ended March 31		Year ended December 31	
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)
Capital employed	2,432.2	2,166.5	2,339.1	2,191.6
Less: Goodwill	1,715.8	1,552.7	1,702.4	1,552.6
Capital employed excluding goodwill	716.4	613.8	636.7	639.0
Operating Profit/(loss) (EBIT)	72.0	50.7	287.7	267.3
Operating Profit/(loss) (EBIT) (LTM)	308.9	n.a.	287.7	267.3
ROCE (in %)	13.4	n.a.	12.7*	12.2*
ROCE excluding goodwill (in %)	46.4	n.a.	45.1*	41.8*

* ROCE calculation for the year ended December 31, 2013 is based on operating profit (EBIT) and capital employed, as of and for the year ended December 31, 2013. To provide a meaningful comparison, ROCE calculation for the year ended December 31, 2014, based on operating profit (EBIT) and capital employed, as of and for the year ended December 31, 2014, would amount to 12.3%, and 45.1% excluding goodwill.

Other financial data

	Three months ended March 31		Year ended December 31			
			(SEK in millions) (unaudited)			
	2015	2014	2014	2013	2013	2012
Order intake(1)	535.8	435.9	1,789.7	1,561.0	1,561.0	1,584.7

(1) This measure represents unaudited financial information. This measure is presented in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, however it is not presented in the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 and the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012.

Order intake is defined as total value of customer orders during a specific period. An order is defined as a confirmed purchase order from a customer, when the order is signed by the customer. To be included in order intake, the order should not contain any material contingencies, which allow the customer to cancel the order at any time and at no cost. Some orders have the character of being frame agreements, where a total estimated frame amount is agreed, but there is no binding agreement for the customer to purchase for the whole agreed amount. In this case, the total agreed amount is not booked as order intake, but instead the value is booked as order intake when the customer places orders under the frame agreement.

OPERATIONAL AND FINANCIAL REVIEW

The following discussion and analysis of the Group's financial condition and results of operations is based on the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015, the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 (audited by Ernst & Young AB) and the audited consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2013 (audited by Ernst & Young AB) and the consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2012 (audited by Deloitte AB). This discussion and analysis should be read in conjunction with "Presentation of Financial Information" and "Summary Consolidated Historical Financial Information" included elsewhere in the Prospectus. The following discussion should also be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements and the reviewed, but unaudited interim consolidated financial statements included elsewhere in the Prospectus or incorporated by reference into the Prospectus.

This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Factors that might cause future results to differ significantly from those projected in the forward-looking statements, include but are not limited to, those discussed below and elsewhere in the Prospectus, see "Risk Factors" and "Notice to Investors".

Overview

Alimak Group is a leading global industrial group designing, developing, manufacturing, distributing and servicing vertical access solutions predominantly in rack-and-pinion, and also traction technologies. The vertical access solutions market comprises a range of permanently and temporarily installed products designed for commercial, residential, industrial and construction applications, such as stairs, escalators, cranes, scaffoldings, elevators and hoists. Rack-and-pinion and traction technologies represent a niche within the vertical access solutions market that focuses on elevators and hoists for industrial and construction applications across a wide range of end markets, including construction, oil and gas, ports and shipyards, power and cement.

The Group has been a pioneer and an industry leader in supplying elevators, hoists and work platforms based on rack-and-pinion technology for more than 65 years. The Group operates in the premium and mid-market segments in mature and emerging markets, with its business model focused on providing tailored and comprehensive solutions to meet the various vertical access needs of its customers across different industries and geographies. At the core of the Group's products are the Alimak and Hek branded rack-and-pinion elevators, hoists and work platforms as well as the recently acquired Heis-Tek branded traction elevators. The Group believes that its brands enjoy strong market recognition and its products are known for their strong safety record, high quality and durability.

As of March 31, 2015, approximately 21,000 rack-and-pinion units installed by the Group were in use across a variety of end markets worldwide, making it the largest global rack-and-pinion installed base. The Group believes that this global installed base demonstrates its broad engineering experience and application references list across geographies and end markets. The Group complements its diverse product portfolio, ranging from the more basic to advanced and customized configurations, with comprehensive service offerings tailored to its customers' specific needs, including After Sales services, used equipment sales and rental services. The Group's After Sales service activities form an essential part of its value proposition for its customers and have generated in the past attractive margins and stable revenues.

For the year ended December 31, 2014, the Group generated 38.7%, 28.7%, 28.3% and 4.2% of its revenue in Europe, the Americas, Asia-Pacific, and the rest of the world, respectively. The Group serves its global customer base across multiple end markets through a combination of direct sales and third-party distributors. The Group believes that it is the only provider of both rack-and-pinion and traction based vertical access solutions for industrial and construction applications with a truly global sales and service network. As of March 31, 2015, the Group had 22 wholly owned sales and service offices in 16 countries, including the United States, Sweden, China, India, Australia, Singapore and Brazil, more than 55 third-party distributors in more than 40 countries. The Group has a well-established manufacturing footprint in mature and emerging markets with integrated production and research and development facilities in Sweden and China.

The Group's operations are organized in four business areas that cater to customers with distinct end user needs:

- The Industrial Equipment business area designs, develops, manufactures and distributes a broad selection of permanently installed elevators for use in a wide range of end markets, including oil and gas, ports and shipyards, power and cement. For the year ended December 31, 2014, and the three months ended March 31, 2015, the Industrial Equipment business area generated 31.3% and 21.5% of the Group's revenue and 33.6% and 7.2% of the Group's operating profit (EBIT), respectively.
- The After Sales business area provides a variety of aftermarket services, such as installation, maintenance, repair, spare parts, contract based servicing, refurbishment, application engineering, remote monitoring systems and on-site customer training, across the lifecycle of the equipment, leveraging the Group's installed base of approximately 21,000 units. For the year ended December 31, 2014, and the three months ended March 31, 2015, the After Sales business area generated 33.6% and 35.7% of the Group's revenue and 69.4% and 75.9% of the Group's operating profit (EBIT), respectively.
- The Construction Equipment business area designs, develops, manufactures and distributes a wide variety of construction hoists and platforms that are installed for temporary use in connection with construction and refurbishment projects. For the year ended December 31, 2014, and the three months ended March 31, 2015, the Construction Equipment business area generated 19.1% and 27.4% of the Group's revenue and (3.5)% and 13.2% of the Group's operating profit (EBIT), respectively.
- The Rental business area provides rental services based on the Group's own designed, developed and manufactured construction hoists and platforms to customers in four key markets: France, Benelux, Germany and Australia, as well as offers sales of the Group's used construction products. In 2014, and the three months ended March 31, 2015, the Rental business area generated 16.0% and 15.4% of the Group's revenue and 0.5% and 3.7% of the Group's operating profit (EBIT), respectively.

The Group is headquartered in Stockholm, Sweden. As of March 31, 2015, it had a total of 1,072 employees. For the year ended December 31, 2014, and the three months ended March 31, 2015, the Group's revenue was SEK 1,742.5 million and SEK 462.3 million, respectively, and its operating profit (EBIT) was SEK 287.6 million and SEK 72.0 million, respectively.

Key Factors Affecting the Group's Financial Condition and Results of Operations

The Group believes that a number of factors directly or indirectly influence its financial condition and results of operations. While these factors may represent opportunities for the Group, they also represent challenges and risks that the Group must successfully address in order to continue the development of its business and improvement of its financial condition and results of operations in the future. These factors include, in particular:

Changing Economic Conditions and Conditions in the End Markets of the Group's Customers

The demand for and the sales of the Group's industrial and construction products, as well as its After Sales and rental services, are sensitive to changes in the general economic conditions and the conditions in the end markets, in which the Group's products are ultimately used. The Group's products are used worldwide across a wide range of end markets including construction, oil and gas, ports and shipyards, power and cement. Fluctuations in order intake for the Group's industrial and construction products as well as rental services and, to a lesser extent, the order intake for the Group's After Sales services, reflect the capital investment decisions of the Group's customers and the level of utilization of the Group's equipment, which depend to a great extent on the level of economic activity in the various industries and the overall economic and financial conditions of the end markets in which the Group's customers operate.

The following table sets forth a breakdown of the Group's order intake by the business areas Industrial Equipment, After Sales, Construction Equipment and Rental for each of the periods presented:

	Three months ended March 31		Year ended December 31		
	(SEK in millions) (unaudited)				
	2015	2014	2014	2013	2012
Industrial Equipment	86.7	148.4	465.1	512.7	511.8
After Sales	208.6	131.1	568.9	518.3	473.4
Construction Equipment	160.8	81.1	456.1	253.3	291.1
Rental	79.7	75.3	299.7	276.8	308.4
Total order intake(1)	**535.8**	**435.9**	**1,789.7**	**1,561.0**	**1,584.7**

(1) This measure represents unaudited financial information. For the years ended December 31, 2014 and 2013, total order intake by the number of units amounted to 1,181 and 652, respectively.

Weak or unstable economic conditions in the relevant end markets typically result in lower sales volumes, which leads to corresponding changes in the Group's capacity utilization and impacts the cost of sales as well as the Group's profit. As a result of cyclical patterns, the Group has experienced and in the future could experience again significant fluctuations in the demand for its products and consequent fluctuations in its sales and profit.

The timing of the impact on the Group's business and results of operations resulting from changes in economic conditions varies between business areas. Specifically, the Group's typical order backlog, defined as the Group's confirmed existing customer orders until their execution and recognition of revenue, for industrial products is approximately six to 12 months and for construction products is approximately two to six months. The After Sales business area monitors backlog on refurbishment orders and service contracts, with most parts and service orders being invoiced in the month in which the order is received or subsequent months. The order backlog within the Rental business area varies significantly depending on the project and typically ranges from two to six months.

The following table sets forth a breakdown of the Group's revenue by the business areas Industrial, After Sales, Construction and Rental for each of the periods presented:

	Three months ended March 31	Year ended December 31						
	(SEK millions)							
	2015 Alimak Group	2014 Alimak Group	2013 Alimak Group	2012 Kamila Holding	2011 Apolus Holding	2010 Apolus Holding	2009 Apolus Holding	2008 Apolus Holding
	(unaudited)	(audited)			(audited)			
Industrial Equipment	99.5	545.3	496.4	447.7	416.2	443.8	625.6	697.3
After Sales	165.2	585.2	493.1	468.1(1)	411.3	396.5	402.6	365.5(1)
Construction Equipment	126.6	333.4	242.5	279.3	202.5	243.1	182.3	597.9
Rental	71.0	278.5	285.1	303.2(1)	277.1	315.5	400.1	428.9(1)
Total revenue	**462.3**	**1,742.5**	**1,517.1**	**1,498.3**	**1,307.0**	**1,398.9**	**1,610.6**	**2,089.6**

(1) These numbers represent unaudited financial information.

During the global economic and financial crisis in 2008 and 2009, the Group's sales in the Construction Equipment and Rental business areas declined significantly due to a sharp decrease in demand for its products and rental services as a result of the crisis. The impact of the economic and financial crisis on the Industrial Equipment business area was delayed due to the typical industrial order backlog period and most of the impact showed in 2009 and 2010. Although the global economy recovered slightly in 2010 and the first half of 2011, in mid-2011, the global economic outlook weakened, among other things, as a result of the turbulence in the financial markets and the unresolved sovereign debt crisis in Europe. The mature market economy experienced stagnant growth in 2012 and 2013, followed by a mixed economic performance in 2014 and the first quarter of 2015. Particularly in Europe, many countries continue to experience economic stagnation, in part due to the effects of the sovereign debt crisis and austerity measures. Moreover, various economic concerns remain regarding the ability of certain EU member states, such as Greece, and other countries to service their sovereign debt obligations.

Weakening of the global economic outlook in mid-2011 had a negative impact on the Group's construction and rental business. The deteriorations in global economic conditions had a slowing effect on the construction end markets, leading to lower utilization of construction equipment and resulting in declining demand for the Group's construction product sales. As the Group's rental operations focus on rental of construction products, the Rental business area was also negatively affected.

In contrast, between 2012 and 2014, the After Sales business area's revenue increased. The relatively stable revenue from the Group's After Sales service offerings partially off-set the cyclicality of the construction end market related income in recent years. Between 2012 and 2014, revenue generated from Industrial Equipment business area increased primarily due to the growing demand in the key industrial end markets, such as oil and gas, ports and power. Sales of the Group's new industrial equipment in the oil and gas, ports and shipyards, power and other industrial end markets accounted for 13%, 5%, 5% and 8%, respectively, of the Group's total revenue in 2014.

In 2014, the Group's total product and service revenues in oil and gas end market amounted to 21% of the Group's total revenues, with new industrial equipment sales in oil and gas reaching 13% of the Group's total revenues. The oil and gas end market has been affected by significant declines in oil prices, which commenced in the second half of 2014. This volatility in the oil and gas end market contributed to the decrease in the Group's order intake for Industrial Equipment business area, which in 2014 amounted to SEK 465.1 million as compared to SEK 512.7 million in 2013. The Group's margins on industrial equipment sold to the oil and gas end market do not significantly differ from the average margins in the Industrial Equipment business area.

In the first quarter of 2015, market conditions remained relatively stable. Industrial markets were impacted by lower oil prices, resulting in some project delays, and the Group noted a trend towards increased competitive pressure, especially in North America. However, despite the overall oil and gas market downturn, some projects remained available. In the first quarter of 2015, the Group received a large order for an upstream oil and gas project. Further, geographic and industrial markets benefitting from lower oil prices have shown some increased quotation activity. The demand in the construction market continued to improve in select mature markets, including North America. The Chinese construction market demand has been slow in the first quarter of 2015, partly caused by a late Chinese new year holiday period and partly due to slow developments in the construction market. However, the markets in South East Asia, India and South America continued to grow at good pace. Within the key markets in the Group's Rental business, France remained slow, while market activity in Benelux, Germany, and Australia has increased. Within the After Sales business area global market activity remained high, while the U.S. market showed lower refurbishment activity.

For further details regarding the impact of changing economic conditions and conditions in the end markets of the Group's customers on the Group's results of operations see "*Risk Factors — Risks Relating to the Group's Business — The Group's business is subject to risks associated with weak or unstable global economic and financial market conditions and the cyclical nature of certain of the Group's end markets"* and *"Market Overview".*

Strategic initiatives

To assist in its goal of achieving profitable growth, the Group has sought to develop revenue streams through product, service and sales development while at the same time focusing on cost reduction and profitability enhancing measures.

New Products

The Group's revenue is driven by the attractiveness of its product portfolio. In the period under review, the Group has developed new products with a view to growing the level of customer demand and revenue. Specifically, in 2013, the Group began to actively expand its product offerings through development of new cost-competitive hoists particularly tailored for the mid-market segment in emerging markets. The development efforts in connection with the mid-market product platform increased the Group's selling, administrative and development expenses in 2013 and 2014.

As part of this product development initiative, in the first quarter of 2014, the Group launched its first two new mid-market hoists tailored for the Chinese market, followed by additional mid-market hoist versions for other emerging markets in the second quarter of 2014. Introduction of the new mid-market hoist for emerging markets contributed to the Group's Construction Equipment business area revenues, which increased to SEK 333.4 million in 2014 from SEK 242.5 million in 2013. The Group also launched its mid-market hoist addressing more mature markets in December 2014 in Scandinavia and in the first quarter of 2015 in other European markets. In the first quarter of 2015, the Group's Construction Equipment business area order intake and revenue increased by SEK 79.7 million and SEK 78.1 million, or 98.3% and 161.0%, to SEK 160.8 million and SEK 126.6 million in the three months ended March 31, 2015 from SEK 81.1 million and SEK 48.5 million in the three months ended March 31, 2014, respectively. This growth was partially driven by demand in the mid-market products. In the year 2014, the Group's mid-market hoist initiative has also contributed to the Group's Construction Equipment order intake, which increased to SEK 456.1 million in 2014 from SEK 253.3 million in 2013.

Revenues for the business area Construction Equipment increased primarily due to early recovery of certain mature markets, such as Australia and the United States, as well as the launched mid-market product range. Excluding currency effects, the growth was 122%.

The Group continues to further develop new products and re-design its existing products to drive demand and revenue. The Group's other strategic product development initiatives include development of a price-competitive range of platforms aimed at the global market.

Improved production cost position and increased productivity

In terms of cost reduction, the Group has implemented a number of restructuring and efficiency initiatives to maximize synergies across the Group, combining the Group's design and product expertise with a highly competitive cost base. The main focus of these measures has been on reducing the Group's fixed cost base, increasing operational efficiency and optimizing the Group's manufacturing footprint.

Between 2010 and 2012, as part of its manufacturing rationalization initiative, the Group consolidated its manufacturing footprint by closing down its manufacturing facilities in the United States and the Netherlands and integrating the manufacturing products into the Group's facilities in Skellefteå, Sweden, and Changshu, China. During the period under review, the manufacturing rationalization initiative continued to impact the Group's operations. Specifically, the Group's loss from sale of its manufacturing facility in the United States amounted to SEK 3.3 million in 2012, contributing to the Group's non-recurring item charges of SEK 110.7 million for the year ended December 31, 2012, and, consequently, increasing the Group's administrative expenses for that year. In addition, the Group's administrative expenses for the year ended December 31, 2014 increased to SEK 184.3 million from SEK 152.0 million in 2013, in part due to the non-recurring items incurred as restructuring costs for the Group's operations (sales and rental) in the Benelux region, which amounted to SEK 12.6 million in 2014. Through this initiative, the Group shifted its approach from geographically-focused manufacturing to product-focused manufacturing, where certain specialized products are primarily manufactured in Skellefteå, Sweden, and certain products are manufactured in Changshu, China.

The Group's first production site in China was established in 2006, however, prior to 2013, the Group's Chinese operations were predominantly based on assembly of procured components sourced from third-parties, as opposed to the actual production of units. In the period between 2012 and the third quarter of 2014, the Group made a number of investments into its first production site in China, which were primarily focused on increasing capacity in order to insource a part of the component production. The Group's capacity investments into its first site in China have partially contributed to the increase in the Group's capital expenditures on plant and machinery, which amounted to SEK 19.0 million in 2013 as compared to SEK 10.0 million in 2012. In addition, in the third quarter of 2014, the Group expanded its manufacturing capacity in China by establishing a second neighboring manufacturing facility in Changshu. The Group's capacity investments into its second production site in China have partially contributed to the increase in the Group's capital expenditures on plant and machinery, which amounted to SEK 23.0 million in 2014 as compared to SEK 19.0 million in 2013.

The Group's new scalable and vertically integrated manufacturing footprint in China is designed to take advantage of both the lower costs of production in China as well as the underlying market opportunity in China and other end markets. In line with its strategic initiatives, the Group continues its ongoing investments in its manufacturing facilities to increase capacity and productivity. During the three months ended March 31, 2015 and 2014, the Group's investments in assets amounted to SEK 9.8 million and SEK 7.5 million, respectively. In its investments, the Group continues to focus on increase in manufacturing capacity in its production facilities in China. Group's principal method of financing has been comprised of its net cash generated from operations, shareholder loans, and short- and long-term bank borrowings primarily under the Prior Senior Facility.

In 2015, the Group aims to focus its investments on increasing automation in China and, in 2016, on research and development as well as expansion of its manufacturing capacity in China.

Enhanced sales activities

In order to capture market opportunities, in 2013, the Group also began strengthening its global market positions and expanding its scale of operations and distributors' reach, particularly in emerging markets such as China, India and South America. In line with this strategy, in 2013, the Group began to expand its own sales force and distribution networks, with particular focus on emerging markets. The Group's distributor sales represent a critical factor for its global reach and strategic regional growth across its business areas, particularly in After Sales and Construction. The Group increased its distributor count from 30 as of December 31, 2013 to 56 as of December 31, 2014. The Group's expansion of its sales and service personnel, and the resulting increase in service activity, was one the drivers behind the consistent growth in the Group's After Sales revenues to SEK 585.2 million in 2014 as compared to SEK 493.1 million in 2013 and SEK 468.1 million in 2012. The Group's expansion of its sales force also contributed to the increase in the Group's selling expenses to SEK 235.1 million in 2014 from SEK 199.4 million in 2013 and SEK 195.9 million in 2012.

To further drive its revenue and market growth, the Group aims to continue investing in and increasing its own sales force as well as its distributor count, particularly the number of its distributors per region, in part by focusing on creating an effective network of distributors across the main Chinese provinces.

Growth of the Group's After Sales business

One of the key factors that has affected and is expected to continue to affect the future results of the Group is its ability to grow the size and value of its After Sales business area due to its attractive margins. In the past, the Group's After Sales business revenue remained resilient to market cyclicality, growing from SEK 365.5 million in 2008 to SEK 402.6 million in 2009, SEK 396.5 million in 2010, SEK 411.3 million in 2011, SEK 468.1 million in 2012, SEK 493.1 million in 2013 and SEK 585.2 million in 2014.

The After Sales growth has been largely attributable to the effective implementation of management initiatives, including expansion of After Sales offerings for industrial and construction equipment as well as focus on refurbishments and upgrade opportunities. In 2014, the growth in the Group's After Sales revenues was also supported by the addition of traction technology into the Group's service portfolio through its acquisition of Heis-Tek in June 2014. As the Group's After Sales business area plays an important role in the growth of the Group's operating profit (EBIT) and is a contributing factor to the stability of the Group's recurring revenue streams, the Group aims to further develop its After Sales business, in particular, by leveraging its existing installed base, increasing the number of its sales force and distributors, expanding its refurbishment services and growing service offerings in rack-and-pinion as well as traction business.

Acquisitions

In June 2014, the Group acquired Heis-Tek, a specialized traction elevator company focused on delivering and servicing oil and gas offshore applications in the North Sea. The Group believes that this acquisition provides the Group with cross-selling synergies for rack-and-pinion and traction technologies in offshore applications around the world and expands the Group's coverage in the Norwegian offshore market. The Group aims to drive its Industrial Equipment and After Sales revenues by taking advantage of the sales, maintenance and refurbishment growth opportunities in combining the Group's experience and technological strengths with Heis-Tek's traction market knowledge and expertise. Heis-Tek has been consolidated in the Group's accounts since July 1, 2014. The acquisition of Heis-Tek accounted for 3.8 percentage points of the overall 14.9% increase in the Group's revenues in the year ended December 31, 2014, as compared to the year ended December 31, 2013. For the year ended December 31, 2014, the Group incurred SEK 4.7 million as non-recurring items in connection with the Heis-Tek acquisition and consolidation of Heis-Tek to the Group's accounts. This contributed to the overall increase in administrative expenses, which increased by SEK 32.3 million, or 21.3%, to SEK 184.3 million in the year ended December 31, 2014 from SEK 152.0 million in the year ended December 31, 2013.

Product and Services Mix

The margins of the Group's products vary across its business areas and product lines. During the period under review, the Group achieved the highest margin in the After Sales business area, followed by the Industrial Equipment, Rental and Construction Equipment business areas. Changes in the Group's product mix have in the past affected, and are expected to continue to affect, the development of the Group's revenue and margins. The Group's capability to offer new products and to re-design and improve its existing products and services has been and is expected to be an important driver of its revenue and profit.

In addition to the margins the Group receives in connection with its products and services sold, the volume of products and services sold by the Group is also a key driver of the Group's profit. As part of its 2013 strategic initiative, the Group increased its focus on mid-market segment products. Despite their somewhat lower margins, the mid-market product offerings allow the Group to target a high volume mid-market segment, particularly in emerging markets, increasing its sales volume and, thus, strengthening its overall profit.

In the period between 2014 and 2012, the Group's revenue from its After Sales and Industrial Equipment business areas increased, contributing to the growth in the Group's operating profit (EBIT). In particular, the Group's highest margin business area After Sales increased from SEK 468.1 million in 2012 to SEK 493.1 million in 2013 and SEK 585.2 million in 2014, which contributed to growth in the Company's operating profit (EBIT) from SEK 137.5 million to SEK 267.3 million in 2013 and SEK 287.7 million in 2014. In 2014 and the first quarter of 2015, the Group's revenue from Construction Equipment also increased from SEK 242.5 million in 2013 to SEK 333.4 million in 2014 and from SEK 48.5 million in the first quarter of 2014 to SEK 126.6 million in the first quarter of 2015.

Prices of Production Components

The Group's most important production components include steel based parts, drive units, electronics and cables. Movements in the prices of such components, which the Group may not be able to pass on to its customers and suppliers, affect the Group's cost of goods sold and the margin achieved by the Group. The Group is particularly dependent on the prices of steel based components, which are required in various forms and shapes, including pipes for construction of masts, plates and sheet metals.

Prices of raw materials required for manufacturing of parts and components, such as steel prices, could have a significant impact on the respective component prices. The steel industry is cyclical in nature, and steel prices may increase in the future. The Group's production component costs also vary depending on the capacity utilization rates of the Group's suppliers, quantities demanded from the suppliers, product technology and product specifications. As a result, the Group's costs of components can significantly vary in the short term and, in cases of supply shortages, can increase. The Group maintains a component outsourcing strategy, where it internally manufactures a number of components, in particular the critical equipment parts, and outsources ordinary parts. In addition, the Group aims to minimize any potential impact primarily through price reviews and adjustments with suppliers and customers. The Group's overall low level of supplier concentration enables it to engage in cost-competitive sourcing.

Goodwill

The Group's intangible assets consist primarily of goodwill. As of March 31, 2015 and as of December 31, 2014, 2013 and 2012, the Group's goodwill amounted to SEK 1,715.8 million, SEK 1,702.4 million, SEK 1,552.6 million and SEK 1,560.1 million, respectively. The increase of goodwill in 2014 was primarily related to the Heis-Tek acquisition and currency fluctuations. Goodwill is tested at least annually to identify any required impairments. In the event that future impairment tests in respect of decreases in the value of goodwill should lead to impairment, it may adversely impact the Group's results of operations.

Currency Fluctuations

As a result of the Group's worldwide operations, its results of operations and financial condition are exposed to changes in currency exchange rates. The Group's currency exposure is divided into transaction exposure (exposure in foreign currencies related to contracted cash flows and balance sheet items where exchange rate changes impact on the results and cash flow) and translation exposure (equity, income and costs in foreign subsidiaries).

A large part of the Group's sales operations is located outside of Sweden. The foreign currencies that have the biggest impact on the Group's earnings and net assets are the euro, the U.S. dollar, the Australian dollar, the Chinese yuan and the British pound. The Group's currency exposure occurs with inter-company financing, with the translation of external receivables and liabilities and with the translation of the profit and loss statements and balance sheets of foreign subsidiaries to the group's reporting currency (Swedish krona). During the period under review, the negative foreign exchange translation effects offset the Group's total revenues growth by 3.2% to 1.3% in the year ended December 31, 2013, while the positive foreign exchange translation effects accounted for 3.8 percentage points of the Group's total revenues increase of 14.9% in the year ended December 31, 2014.

The Group has a financial and hedging policy in place that aims at consolidating the Group's hedging positions on the production facility level. Pursuant to this policy, the Group's manufacturing facilities in Sweden and China offer the Group's own sales companies to purchase goods from the manufacturer in the respective sales company's local currency for later sale in the local market and currency. The Group's manufacturing facilities, in turn, enter into possible hedging arrangements, consisting of exchange forwards, to decrease the level of its transaction exposure and ensure the Group is not overly exposed on short-term currency fluctuations. While the Group hedges its operational exchange rate exposure through currency forward agreements, the currency exchange rate effects may lead to a decrease or a less pronounced increase in reported sales and other key figures of the Group. See "*Risk Factors — The Group is exposed to fluctuations in foreign exchange rates*".

Interest Costs

The Group is partially funded with external loans and, accordingly, its results of operations and cash flow are affected by changes in interest rates. As of December 31, 2014, the average interest rate for the Group's external interest-bearing loans at the turn of the year was 3.6%, as compared to 4.8% as of December 31, 2013. While the majority of the Group's variable rate bank loans were denominated in Swedish krona, other variable rate bank loans included denominations in euro, U.S. dollars and Chinese yuan. Concurrently with the Offering, the Group will enter into a SEK 1,250 million multicurrency revolving credit Senior Facility Agreement with Svenska Handelsbanken AB (publ) and use borrowings thereunder to repay all amounts outstanding under the Prior Senior Facility. The Senior Facility Agreement bears interest at a variable rate. For further information, see "*Operational and Financial Review — Indebtedness*".

Tax Expenses

The Group pays corporate tax in each country where it operates. This means that the Group's results of operations and cash flow are dependent on local tax rates and changes in these tax rates and results of operations in each individual country. A redistribution of the results of operations in each country, regardless of unchanged comprehensive income for the Group may result in increased or decreased tax expenses, affecting the Group's profit. In 2014, the Company's effective tax rate was 49.3%, as compared to 33.6% in 2013 and 45.7% in 2012. Following the completion of the Offering, the Group expects to be able to continue utilizing its tax losses carried forward.

Seasonality

The Group's business is subject to seasonality effects. Typically, the Group experiences a decrease in revenue during the first and third quarters of the year as the Group's primary production facility's activity in Sweden is lower in the holiday period and the Group's European operations shut down partly in July and August. Historically, the Group's revenue has also been higher in November and December, reflecting customer demand to complete orders before year end. The Group's results on the quarterly basis may also vary depending on completions and deliveries of large projects.

The following table sets forth the Group's quarterly financial information by order intake, revenue and operating profit (EBIT):

	Three months ended March 31, 2015	Year ended December 31, 2014				Year ended December 31, 2013			
		(SEK in millions) (unaudited)							
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake(1)	535.8	446.8	417.6	489.4	435.9	400.6	357.5	406.3	396.7
Revenue	462.3	518.0	427.1	454.1	343.3	428.2	340.0	376.2	372.8
Operating profit (EBIT)	72.0	85.5	67.5	84.0	50.7	81.7	55.2	62.8	67.6

(1) This measure represents unaudited financial information.

Explanation of Key Line Items in the Income Statement

Revenue

The Group's revenue is derived from its sales of industrial and construction products and After Sales and rental service offerings. The rental service offerings consist of the Group's rental offerings of its own manufactured products as well as sales of the Group's used construction products.

Starting from 2014, the Group recognizes 100% of the sale on delivery as all the risk and reward of delivery pass to customer at delivery. Historically, the Group only recognized 90% of many contracted industrial sales on delivery and held back 10% until the customer had formally approved the installation of the unit. The change has not had a significant impact on the Group's revenue and has not been applied retroactively. Consequently the comparative numbers for the year ended December 31, 2013 for the Company and for the year ended December 31, 2013 and 2012 for Kamila Holding AB have not been restated.

In 2014, the Group also classified its sales commissions paid to distributors as selling expenses. Through the year ended December 31, 2013, the Group accounted for distributors' sales commissions by netting them from the revenue.

Cost of Goods Sold

Cost of goods sold consists of the costs related to the Group's production and service functions. Production costs include materials used to produce equipment or components (including steel based parts, copper parts, cables, rubber and oils), labor costs, costs of production facilities and quality inspections. The Group's service costs include costs of service technicians and service cars.

Selling Expenses

Selling expenses include all costs related to the sales function of the Group, such as personnel costs, information systems and technology, consultancy costs, commissions, marketing, other external expenses and recharges.

In 2014, the Group classified its sales commissions paid to distributors as selling expenses. Through the year ended December 31, 2013, the Group accounted for distributors' sales commissions by netting them from the revenue. This reclassification came into effect as of and for the year ended December 31, 2014, and contributed 6.8% to the overall increase in selling expenses for the period. The changes have not been applied retroactively and the comparative numbers for the years ended December 31, 2013 and 2012 have not been restated.

Administrative Expenses

Administrative expenses include all costs related to the general administrative function of the Group, such as administrative personnel costs, information systems and technology, consultants, recharges and other external expenses, including local and group management team costs, legal and audit costs.

Development Costs

Development costs consist primarily of research and development (R&D) costs related to new product development, product updates, certain specific project orders and maintenance work on existing portfolio (such as changes in part supplies). These costs consist of personnel costs, information systems and technology, consultants, recharges and other external expenses, including adjustments to reflect capitalization of development costs during the year.

Where work can be directly attributed to an order, management reallocates the costs to cost of goods sold of the particular order. In the year ended December 31, 2012, development expenses directly attributable to the development of new products that met the technical feasibility and other capitalization requirements were capitalized as intangible assets and depreciated over the useful life, which was assessed as being five years in accordance with the straight line method. From the year ended December 31, 2013, the Group have not capitalized its development expenses. Currently, development and research expenses are carried as expenses.

Operating profit/(loss) (EBIT)

Operating profit/(loss) (EBIT) measures the Group's earning power from ongoing operations and corresponds to earnings before financial result and taxes.

Financial Income and Expense

Financial income and expense consist of interest costs and expenses related to the Group's debt, gains and losses due to foreign exchange rates related to the Group's debt and certain other miscellaneous financing costs and income.

Tax

Tax comprises current income tax and deferred income tax. Current income tax is the tax that must be paid or received in the current year and includes adjustments attributable to previous periods.

Deferred tax is reported using the balance sheet method and paid from temporary differences between reported and tax values of assets and liabilities. The assessment of deferred tax is based on how the reported value of assets and liabilities is expected to be realized or adjusted. Deferred tax is calculated by applying the tax regulations and tax rates which have been adopted or adopted in practice on the balance sheet date.

Results of Operations

Three months ended March 31, 2015 compared with the three months ended March 31, 2014

The following table presents the Group's consolidated income statement for each of the periods presented, based on the reviewed, but unaudited interim consolidated financial statements of the Company for the three months ended March 31, 2015:

	Three months ended March 31		% Change
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2015 / 2014
	(SEK in millions)		
Revenue	462.3	343.3	34.7
Cost of goods sold	(274.6)	(196.8)	39.5
Gross profit/loss	**187.7**	**146.5**	28.1
Selling expenses	(60.9)	(51.3)	18.7
Administrative expenses	(45.6)	(35.3)	29.2
Development costs	(9.2)	(9.2)	0.0
Operating profit/loss (EBIT)	**72.0**	**50.7**	42.0
Profit/loss from financial investments			
Financial income	8.4	7.1	18.3
Financial expenses	(73.0)	(42.1)	73.4
Profit/loss before tax	**7.4**	**15.7**	(52.9)
Tax	(2.7)	(7.9)	(65.8)
Profit/loss for the year	**4.7**	**7.8**	(39.7)

Revenue

Revenue increased by SEK 119.0 million, or 34.7%, to SEK 462.3 million in the three months ended March 31, 2015 from SEK 343.3 million in the three months ended March 31, 2014. This increase was primarily due to increased revenues in the Construction Equipment, After Sales and Rental business areas. Excluding currency effects, revenue growth was 19% with the acquired Heis-Tek business contributing 7 percentage points to the increase.

Order intake increased by SEK 99.9 million, or 22.9%, to SEK 535.8 million in the three months ended March 31, 2015 from SEK 435.9 million in the three months ended March 31, 2014. Excluding currency effects order intake increased by 6% during the period, which was attributable to the Heis-Tek acquisition.

Revenue by Business Areas: The following table sets forth a breakdown of the Group's consolidated revenue by the business areas Industrial Equipment, After Sales, Construction Equipment and Rental for each of the periods presented, based on the reviewed, but unaudited interim consolidated financial statements of the Company for the three months ended March 31, 2015:

	Three months ended March 31, 2015 Alimak Group (unaudited)	Share of total revenues (%)	Three months ended March 31, 2014 Alimak Group (unaudited)	Share of total revenues (%)
	(SEK in millions)			
Industrial Equipment	99.5	21.5	111.7	32.5
After Sales	165.2	35.7	125.1	36.4
Construction Equipment	126.6	27.4	48.5	14.1
Rental	71.0	15.4	58.0	16.9
Total revenues from business areas	**462.3**	**100**	**343.3**	**100**

Revenues for the business area Industrial Equipment decreased by SEK 12.2 million, or 10.9%, to SEK 99.5 million in the three months ended March 31, 2015 from SEK 111.7 million in the three months ended March 31, 2014. This decrease was primarily due to downturn in the oil and gas markets. Excluding currency effects and the impact of the Heis-Tek acquisition the revenue decrease was 27%. Order intake for the business area Industrial Equipment decreased by SEK 61.7 million, or 41.6%, to SEK 86.7 million in the three months ended March 31, 2015 from SEK 148.4 million in the three months ended March 31, 2014, which was primarily driven by the downturn in the oil and gas business. Excluding currency effects and the impact of the Heis-Tek acquisition the order intake decrease was 49%.

Revenues for the business area After Sales increased by SEK 40.1 million, or 32.1%, to SEK 165.2 million in the three months ended March 31, 2015 from SEK 125.1 million in the three months ended March 31, 2014. This increase was primarily due to continued strong demand across the Group's After Sales markets. Excluding the Heis-Tek acquisition and currency effects, the growth in the After Sales revenues was 4%. Order intake for the business area After Sales increased by SEK 77.5 million, or 59.1%, to SEK 208.6 million in the three months ended March 31, 2015 from SEK 131.1 million in the three months ended March 31, 2014. Excluding currency effects and the impact of the Heis-Tek acquisition the order intake increase was 19%.

Revenues for the business area Construction Equipment increased by SEK 78.1 million, or 161.0%, to SEK 126.6 million in the three months ended March 31, 2015 from SEK 48.5 million in the three months ended March 31, 2014. This increase was primarily due to early signs of recovery of certain mature markets, such as Australia and the United States, as well as the launched mid-market product range. Excluding currency effects, the growth was 122%. Order intake for the business area Construction Equipment increased by SEK 79.7 million, or 98.3%, to SEK 160.8 million in the three months ended March 31, 2015 from SEK 81.1 million in the three months ended March 31, 2014. The increase was primarily due to demand in mature markets and demand for the mid-market product offering. Excluding currency effects the order intake increase was 64%.

Revenues for the business area Rental increased by SEK 13.0 million, or 22.4%, to SEK 71.0 million in the three months ended March 31, 2015 from SEK 58.0 million in the three months ended March 31, 2014. This increase was primarily due to improved demand in the addressed rental markets, but the French market continued to remain stagnant. Excluding currency effects, the increase amounted to 10%. Order intake for the business area Rental increased by SEK 4.4 million, or 5.8%, to SEK 79.7 million in the three months ended March 31, 2015 from SEK 75.3 million in the three months ended March 31, 2014. Excluding currency effects the order intake decreased by 6% during the period. The decrease was primarily attributable to decline in used sales and lower order intake in Australia as compared to the three months ended March 31, 2014.

Cost of Goods Sold

Cost of goods sold increased by SEK 77.8 million, or 39.5%, to SEK 274.6 million in the three months ended March 31, 2015 from SEK 196.8 million in the three months ended March 31, 2014. This increase was primarily due to increase in volume, changes in the product mix and shift of volumes between the business areas.

Gross Profit

As a result of the foregoing, gross profit increased by SEK 41.2 million, or 28.1%, to SEK 187.7 million in the three months ended March 31, 2015 from SEK 146.5 million in the three months ended March 31, 2014.

Selling Expenses

Selling expenses increased by SEK 9.6 million, or 18.7%, to SEK 60.9 million in the three months ended March 31, 2015 from SEK 51.3 million in the three months ended March 31, 2014. This increase was primarily due to expansion of the Group's sales and service activities and personnel teams.

Administrative Expenses

Administrative expenses increased by SEK 10.3 million, or 29.2%, to SEK 45.6 million in the three months ended March 31, 2015 from SEK 35.3 million in the three months ended March 31, 2014. This increase was primarily due to expansion of the Group's administrative activities to prepare for higher business volumes and improved routines.

Development Costs

Development costs remained at SEK 9.2 million in the three months ended March 31, 2015 as compared to SEK 9.2 million in the three months ended March 31, 2014.

Operating Profit (EBIT)

As a result of the foregoing, operating profit (EBIT) increased by SEK 21.3 million, or 42.0%, to SEK 72.0 million in the three months ended March 31, 2015 from SEK 50.7 million in the three months ended March 31, 2014. Excluding currency effects and items affecting comparability arising from restructuring projects in 2014 and the Offering costs, operating profit (EBIT) amounted to SEK 70.7 million in the three months ended March 31, 2015 and SEK 51.5 million in the three months ended March 31, 2014, amounting to an increase of SEK 19.2 million or 37.3%.

Financial Income

Financial income increased by SEK 1.3 million, or 18.3%, to SEK 8.4 million in the three months ended March 31, 2015 from SEK 7.1 million in the three months ended March 31, 2014. This increase was primarily due to a higher financial income derived from surplus cash generated in the Group's operations.

Financial Expenses

Financial expenses increased by SEK 30.9 million, or 73.4%, to SEK 73.0 million in the three months ended March 31, 2015 from SEK 42.1 million in the three months ended March 31, 2014. This increase was primarily due to unrealized currency exchange losses recorded from intra-group loan structure held for hedging purposes. The Group currently does not use hedge accounting to account for such losses in other comprehensive income and instead reflects them in the financial net.

Profit before Tax

As a result of the foregoing, profit before tax decreased by SEK 8.3 million, or 52.9%, to SEK 7.4 million in the three months ended March 31, 2015 from SEK 15.7 million in the three months ended March 31, 2014.

Tax

Tax decreased by SEK 5.2 million, or 65.8%, to SEK 2.7 million in the three months ended March 31, 2015 from SEK 7.9 million in the three months ended March 31, 2014.

Profit/loss for the Period

As a result of the foregoing, profit for the quarter decreased by SEK 3.1 million, or 39.7%, to SEK 4.7 million in the three months ended March 31, 2015 from SEK 7.8 million in the three months ended March 31, 2014.

Year ended December 31, 2014 compared with the year ended December 31, 2013

The following table presents the Group's consolidated income statement for each of the periods presented, based on the consolidated financial statements of the Company for the year ended December 31, 2014:

	Year ended December 31		% Change
	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2014 / 2013
	(SEK in millions)		
Revenue	1,742.5	1,517.1	14.9
Cost of goods sold	(1,000.7)	(858.9)	16.5
Gross profit/loss	741.8	658.3	12.7
Selling expenses	(235.1)	(199.4)	17.9
Administrative expenses	(184.3)	(152.0)	21.3
Development costs	(34.7)	(39.6)	(12.3)
Operating profit/loss (EBIT)	287.7	267.3	7.6
Profit/loss from financial investments			
Financial income	28.7	15.9	80.1
Financial expenses	(224.6)	(164.3)	36.8
Profit/loss before tax	91.7	118.9	(22.9)
Tax	(45.2)	(39.9)	13.3
Profit/loss for the year	**46.5**	**79.0**	**(41.2)**

Revenue

Revenue increased by SEK 225.3 million, or 14.9%, to SEK 1,742.5 million in the year ended December 31, 2014 from SEK 1,517.1 million in the year ended December 31, 2013. This increase was primarily attributable to partly recovering construction market, which increased revenues for the Group's Construction Equipment and After Sales business areas. The increase was also driven by positive foreign exchange translation effects and the acquisition of Heis-Tek, which respectively amounted to 3.8 and 3.8 percentage points of the overall 14.9% increase. Excluding foreign exchange translation effects and the impact of the Heis-Tek acquisition, the revenue increase would have been 7.2%. This increase in the Group's revenues was offset by a small decrease in revenues from the Group's rental operations.

Revenue by business areas: The following table sets forth a breakdown of the Group's consolidated revenue by the business areas Industrial Equipment, After Sales, Construction Equipment and Rental for each of the periods presented, based on the consolidated financial statements of the Company for the year ended December 31, 2014:

	Year ended December 31, 2014 Alimak Group (audited)	Share of total revenues (%)	Year ended December 31, 2013 Alimak Group (audited)	Share of total revenues (%)
	(SEK in millions)			
Industrial Equipment	545.3	31.3	496.4	32.7
After Sales	585.2	33.6	493.1	32.5
Construction Equipment	333.4	19.1	242.5	16.0
Rental	278.5	16.0	285.1	18.8
Total revenue	**1,742.5**	**100.0**	**1,517.1**	**100.0**

Revenue for the business area Industrial Equipment increased by SEK 48.9 million, or 9.9%, to SEK 545.3 million in the year ended December 31, 2014 from SEK 496.4 million in the year ended December 31, 2013. This increase was primarily due to strong industrial order intake in 2013, executed on the back of the back log driven by improvement in demand in ports and oil and gas end markets. The acquisition of Heis-Tek and subsequent strengthening of the Group's industrial sales in Norway also had a positive impact on the business area's revenues in 2014.

Revenue for the business area After Sales increased by SEK 92.1 million, or 18.7%, to SEK 585.2 million in the year ended December 31, 2014 from SEK 493.1 million in the year ended December 31, 2013. This increase was primarily due to improved spare parts sales and refurbishment orders, foreign exchange currency rates and the Heis-Tek acquisition. The Group's expansion of service activities, resulting from the management's focus on the growth of the After Sales business area, also contributed to the revenue increase.

Revenue for the business area Construction Equipment increased by SEK 90.9 million, or 37.5%, to SEK 333.4 million in the year ended December 31, 2014 from SEK 242.5 million in the year ended December 31, 2013. This increase was primarily due to improved construction market conditions in select mature markets, such as the United States, Australia and the United Kingdom, and, to a limited extent, due to good order intake for the mid-market hoists for emerging markets, which were launched in the second quarter of 2014.

Revenue for the business area Rental decreased by SEK 6.6 million, or 2.3%, to SEK 278.5 million in the year ended December 31, 2014 from SEK 285.1 million in the year ended December 31, 2013. This decrease was primarily due to lower sales volume in Benelux and Australia, however, it was partially offset by an increase in revenues from sales of used construction equipment.

Revenue by geographic markets: The following table presents the Group's consolidated revenue by geographic markets for each of the periods presented, based on the consolidated financial statements of the Company for the year ended December 31, 2014:

	Year ended December 31, 2014 Alimak Group (audited)	Share of total revenues (%)	Year ended December 31, 2013 Alimak Group (audited)	Share of total revenues (%)
	(SEK in millions)			
Europe(1)	674.8	38.7	538.5	35.5
Asia	493.1	28.3	509.6	33.6
South and North America	500.8	28.7	415.4	27.4
Other markets	73.7	4.2	53.6	3.5
Total revenue	**1,742.5**	**100**	**1,517.1**	**100**

(1) Of which Sweden comprised SEK 75.4 million and SEK 56.3 million or 4.3% and 3.7% of the total revenues for the year ended December 31, 2014 and 2013, respectively.

Cost of goods sold

Cost of goods sold increased by SEK 141.8 million, or 16.5%, to SEK 1,000.7 million in the year ended December 31, 2014 from SEK 858.9 million in the year ended December 31, 2013. This increase was mainly driven by changes in the Group's mix of products and shift of volume between the business areas. In the year ended December 31, 2014, cost of goods sold amounted to 57.4% of revenues, remaining consistent with the year ended December 31, 2013, where cost of goods sold amounted to 56.6% of revenues.

Gross profit

As a result of the foregoing, gross profit increased by SEK 83.6 million, or 12.7%, to SEK 741.8 million in the year ended December 31, 2014 from SEK 658.3 million in the year ended December 31, 2013.

Selling expenses

Selling expenses increased by SEK 35.7 million, or 17.9%, to SEK 235.1 million in the year ended December 31, 2014 from SEK 199.4 million in the year ended December 31, 2013. This increase was mainly due to the effect of the 2013 change in treatment of the distributors' sales commissions, pursuant to which, starting from 2014, the Group reclassified its sales commissions for the Group's distributors into selling expenses. In addition, during the period, the Group expanded its sales and service personnel team resulting in an increase in selling expenses.

Administrative expenses

Administrative expenses increased by SEK 32.3 million, or 21.3%, to SEK 184.3 million in the year ended December 31, 2014 from SEK 152.0 million in the year ended December 31, 2013. This increase was largely due to SEK 29.2 million in non-recurring items incurred in 2014, which consisted of (i) SEK 12.6 million of restructuring costs for the Group's operations (sales and rental) in the Benelux region, which comprised costs for relocation and termination of employment; (ii) SEK 10.4 million in relation to the Group's the Offering; (iii) SEK 4.7 million in connection with the Heis-Tek acquisition and consolidation of Heis-Tek to the Group's accounts from July, 2014; and (iv) SEK 1.5 million in other non-recurring items. Excluding non-recurring items of SEK 29.2 million that the Group incurred in 2014, the administrative expenses would have increased by SEK 3.1 million, or 2.0%, to SEK 155.1 million in the year ended December 31, 2014 from SEK 152.0 million in the year ended December 31, 2013.

Development costs

Development costs decreased by SEK 4.9 million, or 12.3%, to SEK 34.7 million in the year ended December 31, 2014 from SEK 39.6 million in the year ended December 31, 2013. This decrease was largely driven by the completion of a significant part of the development work in relation to the Group's mid-market product portfolio, which took place in 2013. In addition, during 2014, the Group used development personnel for order-related development engineering, with the respective costs being charged to costs of goods sold of the particular order.

Operating profit (EBIT)

As a result of the foregoing, operating profit (EBIT) increased by SEK 20.4 million, or 7.6%, to SEK 287.7 million in the year ended December 31, 2014 from SEK 267.3 million in the year ended December 31, 2013. Excluding non-recurring items of SEK 29.2 million that the Group incurred in 2014, the operating profit (EBIT) would have increased by SEK 49.6 million, or 18.6%, to SEK 316.9 million in the year ended December 31, 2014 from SEK 267.3 million in the year ended December 31, 2013.

Operating profit (EBIT) by business areas: The following table sets forth a breakdown of the Group's operating profit (EBIT) by the business areas Industrial Equipment, After Sales, Construction Equipment and Rental for each of the periods presented, based on the consolidated financial statements of the Company for the year ended December 31, 2014:

	Year ended December 31, 2014 Alimak Group (audited)	Share of total operating profit (EBIT) (%)	Year ended December 31, 2013 Alimak Group (audited)	Share of total operating profit (EBIT) (%)
	(SEK in millions)			
Industrial Equipment	96.5	33.6	100.7	37.7
After Sales	199.6	69.4	169.4	63.4
Construction Equipment	(9.9)	(3.5)	(22.0)	(8.2)
Rental	1.5	0.5	19.2	7.2
Total	**287.7**	**100**	**267.3**	**100**

Financial income

Financial income increased by SEK 12.8 million, or 80.1%, to SEK 28.7 million in the year ended December 31, 2014 from SEK 15.9 million in the year ended December 31, 2013. This increase was largely due to financial income derived from surplus cash generated in the Group's operations and deposited on Group's accounts.

Financial expenses

Financial expenses increased by SEK 60.4 million, or 36.8%, to SEK 224.6 million in the year ended December 31, 2014 from SEK 164.3 million in the year ended December 31, 2013. This increase was largely due to unrealized foreign exchange losses from loans denominated in U.S. dollars and in euro, which contributed to increase in the overall financial expenses. The increase was also attributable to financial expenses related to the financing of the Heis-Tek acquisition.

Profit before tax

As a result of the foregoing, profit before tax decreased by SEK 27.2 million, or 22.9%, to SEK 91.7 million in the year ended December 31, 2014 from SEK 118.9 million in the year ended December 31, 2013.

Tax

Tax increased by SEK 5.3 million, or 13.3%, to SEK 45.2 million in the year ended December 31, 2014 from SEK 39.9 million in the year ended December 31, 2013. The Group's effective tax rate was at 49.3% in 2014, compared to 33.6% in 2013.

Profit/loss for the year

As a result of the foregoing, profit for the year decreased by SEK 32.5 million, or 41.2%, to SEK 46.5 million in the year ended December 31, 2014 from SEK 79.0 million in the year ended December 31, 2013.

Year ended December 31, 2013 compared with the year ended December 31, 2012

The following discussion and analysis of the Group's financial condition and results of operations is based on the audited consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2013 and the consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2012. The Kamila Holding AB consolidated financial statements as of and for the year ended December 31, 2013 and 2012 differ from those which have been prepared by the Company mainly due to shareholder loans provided by Apolus Holding AB to the Company. For a reconciliation of the net profit/loss for the period, total equity, liabilities and assets as well as cash at end of the period for Kamila Holding AB and the Company for the year ended December 31, 2013, see

"Summary Consolidated Financial and Other Data — Reconciliation of Kamila Holding AB to the Company". This discussion and analysis should be read in conjunction with "Presentation of Financial Information" and "Summary Consolidated Historical Financial Information" included elsewhere in the Prospectus.

The following table presents the Group's consolidated income statement for each of the periods presented, based on the consolidated financial statements of Kamila Holding AB for the year ended December 31, 2013:

	Year ended December 31		% Change
	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)	2013 / 2012
	(SEK in millions)		
Revenue	1,517.1	1,498.3	1.3
Cost of goods sold	(858.9)	(871.9)	(1.5)
Gross profit/loss	658.3	626.4	5.1
Selling expenses	(199.4)	(195.9)	1.8
Administrative expenses	(152.0)	(255.8)	(40.6)
Development costs	(39.6)	(37.3)	6.3
Operating profit/loss (EBIT)	267.3	137.5	94.4
Profit/loss from financial investments			
Financial income	15.9	6.2	158.8
Financial expenses	(88.3)	(77.8)	13.6
Profit/loss before tax	194.9	65.9	195.9
Tax	(56.6)	(30.1)	87.8
Profit/loss for the year	**138.3**	**35.7**	**287.2**

Revenue

Revenue increased by SEK 18.8 million, or 1.3%, to SEK 1,517.1 million in the year ended December 31, 2013 from SEK 1,498.3 million in the year ended December 31, 2012. This increase was partially driven by increased revenues from the Industrial Equipment and After Sales business areas, which was driven by the strong order intake of 2012 and 2011. This trend was partly offset by decreases in revenues from the Construction Equipment and Rental business areas, which was driven by a weak construction market across all mature markets. The foreign exchange translation effects also offset the revenue growth by 3.2%. Excluding foreign exchange translation effects, the revenue increase would have been 4.4%.

Revenue by business areas: The following table sets forth a breakdown of the Group's consolidated revenue by the business areas Industrial Equipment, After Sales, Construction Equipment and Rental for each of the periods presented, based on the consolidated financial statements of Kamila Holding AB for the year ended December 31, 2013:

	Year ended December 31, 2013 Kamila Holding (audited)	Share of total revenues (%)	Year ended December 31, 2012 Kamila Holding (audited)	Share of total revenues (%)
	(SEK in millions)			
Industrial Equipment	496.4	32.7	447.7	29.9
After Sales	493.1	32.5	468.1(1)	31.2
Construction Equipment	242.5	16.0	279.3	18.6
Rental	285.1	18.8	303.2(1)	20.2
Total revenue	**1,517.1**	**100.0**	**1,498.3**	**100.0**

(1) These numbers represent unaudited financial information.

Revenue for the business area Industrial Equipment increased by SEK 48.7 million, or 10.9%, to SEK 496.4 million in the year ended December 31, 2013 from SEK 447.7 million in the year ended December 31, 2012. This increase was primarily driven by rising demand due to the overall market recovery and an increase in order intake in 2012.

Revenue for the business area After Sales increased by SEK 25.0 million, or 5.3%, to SEK 493.1 million in the year ended December 31, 2013 from SEK 468.1 million in the year ended December 31, 2012. This increase was primarily attributable to effective implementation of management's strategic initiatives, including an increase in the number of sales people and service technicians, combined with the increase in overall service coverage and active work on growing the scope and number of the After Sales agreements. In addition, the Group also entered into a number of global MSAs with large industrial companies in 2013 and 2012.

Revenue for the business area Construction Equipment decreased by SEK 36.8 million, or 13.2%, to SEK 242.5 million in the year ended December 31, 2013 from SEK 279.3 million in the year ended December 31, 2012. This decrease was primarily a result of lower sales due to weak developments in the underlying construction market in mature and emerging markets as well as adverse currency movements in Brazil and India. While revenue in 2012 was primarily driven by a strong demand for construction products in South America (in particular Brazil) as well as India and China, adverse currency movements in Brazil and India had a negative impact on the demand for the Group's products within those markets in 2013. As construction products for markets in Brazil and India came primarily from the Group's production facilities in China, their exposure to the U.S. dollar made them more vulnerable to fluctuations in Brazilian real and Indian rupee.

Revenue for the business area Rental decreased by SEK 18.1 million, or 6.0%, to SEK 285.1 million in the year ended December 31, 2013 from SEK 303.2 million in the year ended December 31, 2012. This decrease was primarily a result of lower sales volume in Germany, Benelux and Australia, due to overall weak conditions in the construction industry.

Revenue by geographic markets: The following table presents the Group's revenue by geographic market for each of the periods presented, based on the consolidated financial statements of the Company for the year ended December 31, 2013:

	Year ended December 31, 2013 Kamila Holding (audited)	Share of total revenues (%)	Year ended December 31, 2012 Kamila Holding (audited)	Share of total revenues (%)
		(SEK in millions)		
Sweden	56.3	3.7	46.5	3.1
Other Europe[1]	474.2	31.3	440.4	29.4
Asia	211.4	13.9	402.3	26.9
United States	379.0	25.0	332.2	22.2
Other markets	396.2	26.1	277.0	18.5
Total revenue	**1,517.1**	**100.0**	**1,498.3**	**100.0**

(1) Excluding Sweden.

Cost of goods sold

Cost of goods sold decreased by SEK 13.1 million, or 1.5%, to SEK 858.9 million in the year ended December 31, 2013 from SEK 871.9 million in the year ended December 31, 2012. This decrease was largely a result of changes in the Group's product mix as well as changes in the distribution between business areas. Moreover, the Group's geographical footprint rationalization with its shift of production to China, has allowed the Group to expand low-cost sourcing. In the year ended December 31, 2013, cost of goods sold amounted to 56.6% of revenues, while in the year ended December 31, 2012, cost of goods sold amounted to 58.2% of revenues.

Gross profit

As a result of the foregoing, gross profit increased by SEK 31.9 million, or 5.1%, to SEK 658.3 million in the year ended December 31, 2013 from SEK 626.4 million in the year ended December 31, 2012.

Selling expenses

Selling expenses increased by SEK 3.5 million, or 1.8%, to SEK 199.4 million in the year ended December 31, 2013 from SEK 195.9 million in the year ended December 31, 2012. This increase was largely driven by an increase in the Group's sales activities and a consequent increase in the Group's sales force.

Administrative expenses

Administrative expenses decreased by SEK 103.8 million, or 40.6%, to SEK 152.0 million in the year ended December 31, 2013 from SEK 255.8 million in the year ended December 31, 2012. This decrease was primarily a reflection of SEK 110.7 million in non-recurring items that the Group incurred in 2012, which consisted of (i) SEK 92.6 million in impairment and adjustment charges relating to review and adjustment of a number of asset items, including discarding of previously reported surplus values of assets and adjustments of the value of some rental assets, as a result of the Group's restructuring activities since 2008; (ii) SEK 3.3 million loss from the sale of the Group's manufacturing facility in the United States, as part of its production optimization program; (iii) SEK 13.4 million in advisory and legal costs relating to the proposed refinancing of the Group in 2012 as well as the actual renegotiation of the Group's then existing financing arrangements; and (iv) SEK 1.4 million in other non-recurring items. The decrease due to non-recurring items in 2012 was partially balanced by SEK 7.9 million in non-recurring items that the Group incurred in 2013, which were due to restructuring costs for the Group's operations (sales and rental) in the Benelux region, which comprised costs for relocation and termination of employment. Excluding non-recurring items that the Group incurred in 2012 and 2013, the administrative expenses would have decreased by SEK 1.0 million, or 0.7%, to SEK 144.1 million in the year ended December 31, 2013 from SEK 145.1 million in the year ended December 31, 2012.

Development costs

Development costs increased by SEK 2.4 million, or 6.3%, to SEK 39.6 million in the year ended December 31, 2013 from SEK 37.3 million in the year ended December 31, 2012. This increase was largely due to R&D related costs in connection with the Group's activities in relation to the start of initiatives for expansion of the Group's mid-market product portfolio.

Operating profit (EBIT)

As a result of the foregoing, operating profit (EBIT) increased by SEK 129.8 million, or 94.4%, to SEK 267.3 million in the year ended December 31, 2013 from SEK 137.5 million in the year ended December 31, 2012. Excluding non-recurring items that the Group incurred in 2012 and 2013, the operating profit (EBIT) would have increased by SEK 27.0 million, or 10.9%, to SEK 275.2 million in the year ended December 31, 2013 from SEK 248.2 million in the year ended December 31, 2012.

Financial income

Financial income increased by SEK 9.8 million, or 158.8%, to SEK 15.9 million in the year ended December 31, 2013 from SEK 6.2 million in the year ended December 31, 2012. This increase was largely due to surplus cash generated in some of the Group's offices due to higher interest cash deposits and unrealized exchange gains.

Financial expenses

Financial expenses increased by SEK 10.6 million, or 13.6%, to SEK 88.3 million in the year ended December 31, 2013 from SEK 77.8 million in the year ended December 31, 2012. This increase was largely due to fees paid in connection with refinancing of the Group's buy out of its leased rental fleet from Svenska Handelsbanken AB (publ) in June 2013 and higher interest costs due to the switch from leasing to loan facility.

Profit before tax

As a result of the foregoing, profit before tax increased by SEK 129.0 million, or 195.9%, to SEK 194.9 million in the year ended December 31, 2013 from SEK 65.9 million in the year ended December 31, 2012.

Tax

Tax increased by SEK 26.5 million, or 87.8%, to SEK 56.6 million in the year ended December 31, 2013 from SEK 30.1 million in the year ended December 31, 2012. This increase was largely due to an increase in the Group's profits for the period and the geographic distribution of the profits. The Group's tax rate was 29.1% in 2013, compared to 45.7% in 2012.

Profit for the year

As a result of the foregoing, profit for the year increased by SEK 102.6 million, or 287.2%, to SEK 138.3 million in the year ended December 31, 2013 from SEK 35.7 million in the year ended December 31, 2012. This increase was due primarily to the impact of non-recurring items that the Group incurred in 2012.

Liquidity and Capital Resources

During the period under review, the Group's principal sources of liquidity have been its net cash generated from operations, shareholder loans, and short- and long-term bank borrowings, primarily under the Prior Senior Facility (see "— *Indebtedness*"). Following the Offering, the Group expects that its key sources of liquidity will continue to be cash flows from operations and short- and long-term bank borrowings. External financing will be provided primarily from drawings under the Senior Facility Agreement with Svenska Handelsbanken AB (publ) (see "— *Indebtedness*"). In connection with the Offering, the shareholder loans held by Apolus Holding AB will be off-set against shares in the Company through a set-off issue, see "*Share Capital and Ownership Structure — Conversion of Shareholder Loans*".

The Group's ability to generate cash from its operations depends on its future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Group's control, as well as the other factors discussed in the section entitled "*Risk Factors*".

Cash flows

The following table sets forth the Group's cash flows for the three months ended March 31, 2015 and 2014 and the years ended December 31, 2014, 2013 and 2012:

	Three months ended March 31		Year ended December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Current operations						
Profit/loss before tax	7.4	15.7	91.7	118.9	194.9	65.9
Items not impacting on cash flow						
Depreciation	13.0	11.8	48.6	49.6	49.6(1)	156.1(1)
Disposals	n.a.	n.a.	3.2	0.0	n.a.	n.a.
Unrealized foreign exchange differences	n.a.	n.a.	73.5	(1.7)	(1.7)	(1.8)
Profit for the year from sale of fixed assets	n.a.	n.a.	0.0	(1.9)	(1.9)	3.2
Capitalized interest on borrowings	n.a.	n.a.	83.5	75.9	n.a.	n.a.
Change in distribution of loan costs	n.a.	n.a.	4.2	0.0	n.a.	n.a.
Change in value of derivatives	n.a.	n.a.	0.0	(15.0)	(15.0)	(12.6)
Change in provisions for pensions	n.a.	n.a.	3.6	0.0	0.0	8.0
Change in other provisions	n.a.	n.a.	21.0	(0.4)	(0.4)	(0.4)
Other non-cash items	n.a.	n.a.	0.0	(6.2)	(6.2)	4.4
Adjustments for other items not affecting cash flow	60.4(2)	34.0(2)	n.a.	n.a.	n.a.	n.a.
Cash flow from operating activities before paid taxes and change in working capital	80.8	61.5	329.3	219.3	219.3	222.7
Tax paid	(10.9)	(9.7)	(32.3)	(38.0)	(38.0)	(12.5)
Cash flow from operating activities before change in working capital	70.0	51.8	297.0	181.2	181.2	210.2
Cash flow from changes in working capital						
Change in inventories	(48.0)	(29.7)	(25.1)	(4.3)	(4.3)	(35.6)
Change in operating receivables	(26.9)	27.6	(39.8)	(46.3)	(46.3)	(51.0)
Change in operating liabilities	17.7	17.9	77.4	(22.9)	(22.9)	120.6
Cash flow from operating activities	12.9	67.5	309.5	107.7	107.7	244.2
Investing activities						
Acquisition of subsidiaries	0.0	0.0	(58.6)	0.0	0.0	(1.2)
Acquisition of intangible fixed assets	(0.1)	0.0	(0.8)	(0.3)	(0.3)	(1.8)
Acquisition of tangible assets	(9.9)	(7.7)	(66.0)	(38.3)	(38.3)	(48.3)
Disposal of tangible assets	0.0	0.2	7.5	3.2	3.2	48.2
Acquisition of financial assets	n.a.	n.a.	(4.0)	0.0	0.0	0.0
Disposal of/reduction in financial assets	n.a.	n.a.	0.6	3.3	3.3	11.5
Changes in financial fixed assets(3)	0.1(3)	0.0(3)	n.a.	n.a.	n.a.	n.a.
Cash flow from investing activities	(9.8)	(7.5)	(121.2)	(32.0)	(32.0)	8.4
Financing activities						
Loans raised	0.0	0.0	94.0	195.8	195.8	12.4
Repayment of loans	(24.1)	(32.2)	(112.3)	(269.1)	(269.1)	(121.4)
Group contributions, paid(4)	n.a.	n.a.	n.a.	n.a.	n.a.	(105.0)
Cash flow from financing activities	(24.1)	(32.2)	(18.2)	(73.3)	(73.3)	(214.0)
Cash flow for the period	(21.0)	27.8	170.2	2.5	2.5	38.6
Cash and cash equivalents at start of the period	384.7	189.9	189.9	192.6	191.4	158.3
Price difference in cash and cash equivalents	12.9	(3.3)	24.6	(5.1)	(5.1)	(5.4)
Cash at end of the period	**376.5**	**214.4**	**384.7**	**189.9**	**188.8**	**191.4**

(1) Depreciation and disposals presented as one item in the audited consolidated financial statements of Kamila Holding AB for the years ended December 31, 2013 and 2012.

(2) Disposals, unrealized foreign exchange differences, profit for the year from sale of fixed assets, capitalized interest on borrowings, change in distribution of loan costs, change in value of derivatives, change in provisions for pensions, change in other provisions and other non-cash items are reported as "Adjustments for other items not affecting cash flow" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(3) Acquisition of financial assets and disposal of/reduction in financial assets are reported as "Changes in financial fixed assets" in the unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(4) Reflects contributions from Kamila Holding AB to the Company for the year ended December 31, 2012.

Three months ended March 31, 2015 compared with the three months ended March 31, 2014

Cash flow from operating activities

Cash flow from operating activities decreased by SEK 54.6 million, or 80.9%, to SEK 12.9 million in the three months ended March 31, 2015 compared to SEK 67.5 million in the three months ended March 31, 2014. This decrease was primarily driven by a significant increase in changes in working capital, which offset a significant increase in adjustments for non-cash items.

The cash outflow of SEK 57.2 million as a result of working capital changes in the three months ended March 31, 2015, compared to a cash inflow of SEK 15.8 million in the three months ended March 31, 2014, was driven by a significant increase in inventories as orders taken in 2014 were manufactured and a significant increase in trade receivables due to relatively late invoicing period in March 2015.

The significant increase in adjustments for non-cash items was primarily due to unrealized foreign exchange effects.

Cash flow from investing activities

Cash outflow from investing activities increased by SEK 2.3 million, or 30.7%, to an outflow of SEK 9.8 million in the three months ended March 31, 2015 compared to an outflow of SEK 7.5 million in the three months ended March 31, 2014. This increase was primarily due to an increase in investments in tangible fixed assets.

Cash flow from financing activities

Cash outflow from financing activities decreased by SEK 8.1 million, or 25.2%, to SEK 24.1 million in the three months ended March 31, 2015 compared to an outflow of SEK 32.2 million in the three months ended March 31, 2014. This decrease was principally attributable to a decrease in repayment of borrowings.

Year ended December 31, 2014 compared with the year ended December 31, 2013

Cash flow from operating activities

Cash flow from operating activities increased by SEK 201.8 million, or 187.4%, to SEK 309.5 million in the year ended December 31, 2014, compared to SEK 107.7 million in the year ended December 31, 2013. This increase was primarily attributable to a significant increase in positive adjustments for non-cash items and a cash inflow as a result of working capital changes in the year ended December 31, 2014, compared to a significant cash outflow as a result of working capital changes in the year ended December 31, 2013.

The significant increase in positive adjustments for non-cash items was primarily due to SEK 73.5 million attributable to unrealized foreign exchange differences as a result of strengthening of the Group's main foreign currencies against the Swedish krona in the year ended December 31, 2014, compared to net SEK 1.7 million attributable to unrealized foreign exchange differences in the year ended December 31, 2013. In addition, increase in positive adjustments for non-cash items was driven by inflow from changes in other provisions of SEK 21.0 million in the year ended December 31, 2014, compared to outflow from changes in other provisions of SEK 0.4 million in the year ended December 31, 2013.

The cash inflow from working capital changes in the year ended December 31, 2014 was primarily driven by increase in operating liabilities, which was mainly the result of increases in accrued expenses and other short term liabilities.

Cash flow from investing activities

Cash outflow from investing activities increased by SEK 89.2 million, or 278.8%, to an outflow of SEK 121.2 million in the year ended December 31, 2014 compared to an outflow of SEK 32.0 million in the year ended December 31, 2013. The increase was primarily due to the Heis-Tek acquisition in June 2014 and investments in production facilities and rental fleets (net of disposals) in 2014 of SEK 58.4 million as compared to 2013 (SEK 35.1 million).

Cash flow from financing activities

Cash outflow from financing activities decreased by SEK 55.1 million, or 75.2%, to SEK 18.2 million in the year ended December 31, 2014 compared to an outflow of SEK 73.3 million in the year ended December 31, 2013. This decrease was principally attributable to the buyout of the Group's leased rental assets in 2013 which provided for lower debt service under the Group's debt facilities in 2014 as compared to 2013.

Year ended December 31, 2013 compared with the year ended December 31, 2012

Cash flow from operating activities

Cash flow from operating activities decreased by SEK 136.4 million, or 55.9%, to SEK 107.7 million in the year ended December 31, 2013 compared to SEK 244.2 million in the year ended December 31, 2012. This decrease was primarily attributable to a significant cash outflow as a result of working capital changes in the year ended December 31, 2013, which was mainly driven by increase in operating receivables and a decrease in operating liabilities.

Cash flow from investing activities

Cash flow from investing activities decreased by SEK 40.4 million, or 479.9%, to an outflow of SEK 32.0 million in the year ended December 31, 2013 compared to an inflow of SEK 8.4 million in the year ended December 31, 2012. This decrease was principally driven by disposal of assets in 2012 which could not be offset by a lower investment level in 2013.

Cash flow from financing activities

Cash outflow from financing activities decreased by SEK 140.7 million, or 65.7%, to an outflow of SEK 73.3 million in the year ended December 31, 2013 compared to an outflow of SEK 214.0 million in the year ended December 31, 2012. This decrease was principally attributable to the change in the Group's bank financing in 2013 as well as higher debt repayment in 2013 as compared to 2012.

Working Capital

The Company believes that its existing available working capital is sufficient to meet the Company's needs over the next 12 months.

Indebtedness

The following table sets forth the Company's total long-term and short-term borrowings as of March 31, 2015 and 2014 as well as December 31, 2014, 2013 and 2012.

	As of March 31		As of December 31			
	(SEK in millions)					
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Long-term						
Loans from financial institutions	705.5	714.4	692.2	699.4	713.1	676.5
Long-term financial lease liabilities	0.0	0.0	0.0	0.0	0.0	138.1
Other long-term liabilities	0.6	11.2	0.5	11.4	11.4	2.7
Liabilities to group companies(1)	941.0	855.4	918.8	835.3	n.a.	n.a.
Total long-term borrowings	**1,647.1**	**1,581.0**	**1,611.5**	**1,546.1**	**724.5**	**817.3**
Short-term						
Short-term liabilities to banks	248.0	125.3	227.8	128.7	133.0	69.1
Bank overdraft facilities	n.a.(2)	n.a.(2)	20.8	44.7	44.7	42.9
Short-term financial lease liabilities	0.0	0.0	0.0	0.0	0.0	39.2
Total short-term borrowings	**248.0**	**125.3**	**248.6**	**173.4**	**177.7**	**151.2**
Total	**1,895.1**	**1,706.3**	**1,860.1**	**1,719.5**	**902.2**	**968.5**

(1) Reflects the shareholder loans from Apolus Holding AB to the Company, as presented in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014, and the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013.

(2) Included in "Short-term liabilities to banks" for the respective periods.

As of March 31, 2015, the Group had a total net interest bearing debt of SEK 1,895.1 million, primarily under the shareholder loans held by Apolus Holdings AB (with a booked value of SEK 941.0 million as of March 31, 2015) and the Prior Senior Facility with Svenska Handelsbanken AB (publ). However, concurrently with the Offering, the Group will refinance the Prior Senior Facility and enter into the Senior Facility Agreement. In connection with the Offering, the shareholder loans held by Apolus Holding AB will be off-set against shares in the Company through a set-off issue that will take place on June 17, 2015. For further information, see "*Share Capital and Ownership Structure – Conversion of Shareholder Loans*".

Senior Facility

Concurrently with the Offering, the Company, as borrower and guarantor, among others, and Svenska Handelsbanken AB (publ), as lender, will enter into a SEK 1,250 million multicurrency revolving credit facility, with its termination date falling five years from the date of the signing of the agreement. The Senior Facility Agreement is made available for the purposes of refinancing of the existing debt, corporate acquisitions, general corporate purpose and working capital financing of the Group, including ancillary facilities and guarantees, and its availability will be subject to closing of the Offering.

Amounts drawn under the Senior Facility Agreement carry interest at a variable rate that will be based on the relevant Interbank Offered Rate (IBOR), plus a margin. The applicable margin depends on the Group's leverage ratio for the relevant compliance period.

The Senior Facility Agreement contains customary representations and warranties as well as affirmative covenants, negative covenants and events of default. The Senior Facility Agreement provides for financial covenants relating to (i) the Group's leverage ratio, i.e., the consolidated net debt to consolidated EBITDA ratio shall not exceed 3.75:1 for the relevant reference period and (ii) the Group's net debt to equity ratio, which shall not exceed 1.0:1 for the relevant reference period. Financial covenants are tested quarterly on a 12-month rolling basis.

The Senior Facility Agreement gives the option of prepayment, in whole or in part, with five business days' notice to Svenska Handelsbanken AB (publ). A prepayment triggers a break cost to be paid by the borrower to Svenska Handelsbanken AB (publ). The prepaid loans may be re-drawn unless cancelled, however any amounts or commitments prepaid and cancelled may not thereafter be redrawn or reinstated.

Mandatory prepayments must be made in the event of change of control. A change of control is deemed to occur if an event or series of events result in (i) any person or group of persons, other than Triton, acting in concert shall own or control shares in the Company representing more than 50% of the votes in the Company or otherwise gain direct or indirect control of the Company; or (ii) the shares in the Company cease to be listed on the regulated market Nasdaq Stockholm.

Shareholder Loans

On January 11, 2007, the Company entered into the shareholder loan with Apolus Holding AB that provided for a loan of SEK 770 million, with its final termination date on January 11, 2037. The annual interest of the shareholder loan is 10% and is capitalized into the loan principal. On March 29, 2011, the Company entered into a second shareholder loan with Apolus Holding AB that provided for a loan of SEK 300 million, with its final termination date on March 29, 2041. The annual interest of the second shareholder loan is also 10% and capitalized into the loan principal. On May 15, 2012, the second shareholder loan has been amended to give effect to a partial contribution by Apolus Holding AB of its claim under the shareholder loan. The outstanding amount of the shareholder loans was SEK 918.8 million as of December 31, 2014, and SEK 941.0 million as of March 31, 2015.

In connection with the Offering, the shareholder loans held by Apolus Holding AB will be off-set against shares in the Company through a set-off issue that will take place on June 17, 2015, as further described under "*Share Capital and Ownership — Conversion of Shareholder Loans*". As of June 17, 2015, the outstanding amount of the shareholder loans is expected to be SEK 960.3 million.

Capital Expenditures

The Group's recent capital expenditures primarily focused on expanding vertical integration within manufacturing, maintenance investments in the rental fleet and further increased flexibility and productivity.

For the three months ended March 31, 2015, total capital expenditures amounted to SEK 10.0 million, which consisted of SEK 9.9 million in new acquisitions in tangible assets and SEK 0.1 million in capitalized expenditure for development and similar work and trademarks. The Group's capital expenditures continued to focus on investments in production facilities, with the Group's continued capacity expansion in China.

The following table shows the principal capital expenditure items (expenditures relating to acquiring and updating the Company's intangible and tangible assets) as of March 31, 2015 and 2014 and as of December 31, 2014, 2013 and 2012.

	As of March 31		As of December 31			
			(SEK in millions)			
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Land and buildings	n.a.	n.a.	1.5	2.4	2.4	1.3
Plant and machinery	n.a.	n.a.	23.0	19.0	19.0	10.0
Equipment and tools	n.a.	n.a.	14.6	4.7	4.7	4.6
Equipment for lease	n.a.	n.a.	26.8	12.2	12.2	32.3
Capitalized expenditure for development and similar work, and trademarks	0.1	0.0	0.8	0.3	0.3	1.8
Total	**10.0**(1)	**7.7**(1)	**66.7**	**38.6**	**38.6**	**50.0**

(1) Land and buildings, plant and machinery, inventories and tools, equipment for lease are reported as "Investment in tangible fixed assets" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

For the year ended December 31, 2014, total capital expenditures amounted to SEK 66.7 million, mainly relating to equipment for lease (SEK 26.8 million), plant and machinery (SEK 23.0 million) and equipment and tools (SEK 14.6 million). In the year ended December 31, 2014, the Group's capital expenditures continued to focus on investments in production facilities, with the Group's continued capacity expansion in China and productivity investments in the manufacturing facility in Skellefteå, Sweden.

For the year ended December 31, 2013, total capital expenditures amounted to SEK 38.6 million, mainly relating to plant and machinery (SEK 19.0 million) and equipment for lease (SEK 12.2 million). In the year ended December 31, 2013, the Group's capital expenditures primarily focused on investments in production facilities with capacity expansion of the Group's production facilities in China and increased productivity in the manufacturing facility in Sweden.

For the year ended December 31, 2012, total capital expenditures amounted to SEK 50.0 million, mainly relating to equipment for lease (SEK 32.3 million) and plant and machinery (SEK 10.0 million). In the year ended December 31, 2012, the Group's capital expenditures primarily focused on maintenance. The Group's key investments included investment in its rental fleet replacing old equipment following the restructuring of the Group's rental fleet years earlier, sale of underutilized and unproductive machines and a real estate divestment related to its closed production site in the United States.

Contractual Commitments

There are no contractual commitments other than those incurred in the normal course of business at the balance sheet date but not recognized in the financial statements. In June 2013, the Group bought out all the equipment previously leased from Svenska Handelsbanken AB (publ). After the purchase, the Group no longer has any commitments relating to future lease payments.

Pledged Assets and Contingent Liabilities

Set forth below are the Group's pledged assets as of March 31, 2015 and 2014 and December 31, 2014, 2013 and 2012:

	As of March 31		As of December 31			
			(SEK in millions)			
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Floating charges	n.a.	n.a.	98.6	98.6	98.6	98.6
Shares	n.a.	n.a.	2,184.0	2,063.3	2,063.3	1,703.7
Fixed assets	n.a.	n.a.	12.0	12.5	12.5	16.6
Receivables	n.a.	n.a.	63.1	63.6	63.6	58.3
Inventories	n.a.	n.a.	90.4	59.8	59.8	42.9
Other	n.a.	n.a.	3.1	0.3	0.3	0.4
Total pledged securities	**2,451.2**(1)	**2,298.1**(1)	**2,451.2**	**2,298.1**	**2,298.1**	**1,920.4**

(1) Floating charges, shares, fixed assets, receivables, inventories and other are reported as total pledged securities in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

Set forth below are the Group's contingent liabilities as of March 31, 2015 and 2014 and December 31, 2014, 2013 and 2012:

	As of March 31		As of December 31			
			(SEK in millions)			
	2015 Alimak Group (unaudited)	2014 Alimak Group (unaudited)	2014 Alimak Group (audited)	2013 Alimak Group (audited)	2013 Kamila Holding (audited)	2012 Kamila Holding (audited)
Guarantee commitments, FPG/PRI	n.a.	n.a.	0.7	0.7	0.7	0.7
Guarantees for the benefit of group companies	n.a.	n.a.	5.2	8.4	8.4	100.4
Other contingent liabilities	n.a.	n.a.	206.9	92.5	92.5	68.6
Total contingent liabilities	**212.7**(1)	**101.6**(1)	**212.7**	**101.6**	**101.6**	**169.7**

(1) Guarantee commitments, FPG/PRI, guarantees for the benefit of group companies and other contingent liabilities are reported as "Contingent liabilities" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

Guarantee commitments. The Company's main guarantee commitments consist of its obligations under its Swedish pension plan.

Guarantees for the benefit of group companies. The Company provides parental guarantees on behalf of its Group companies for various customer contracts.

Other contingent liabilities. The Company provides performance and advance payment bank guarantees under the Group's customer agreements and expanded the facility with external suppliers of credits.

Off-Balance Sheet Arrangements

Other than the items listed under "— *Pledged Assets and Contingent Liabilities*", the Group is not a party to any transactions, agreements or contractual agreements to which an entity that is not consolidated with the Group is a party, under which the Group has:

- any obligation under a guarantee contract not reflected in the financial statements;
- a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support for such assets;
- any obligation under a derivative instrument that is both indexed to its stock and classified in shareholders' equity, or not reflected, in its statement of financial position;
- any obligation, including a contingent obligation, arising out of a variable interest in an unconsolidated entity, where such entity provides financing, liquidity, market risk or credit risk support to it, or engages in leasing, hedging or research and development services with it.

Financial Risk Management

The Group is exposed to risks related to the backlog, cash and cash equivalents, accounts receivable, accounts payable and borrowings made. The Group experiences exposure to both interest rates and foreign exchange risk. The interest rate risk mainly applies to external loans. In addition to this, the Group has a financing risk in connection with the refinancing of existing loans. The Group has adopted a financing policy which governs how the effects of the aforementioned exposure can be minimized.

For further information regarding the Group's financial risk management see note 2 to the consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013, and the lead-in to the notes in the consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012.

The Group maintains its accounting records and prepares its financial statements in Swedish krona.

Risk Management—Interest Rate Risk

The interest rate risk is the risk that changes in the market interest rates will impact on cash flow or the actual value of financial assets and liabilities.

Until March 2014, the Group hedged its exposure to interest rate risk through interest rate swaps. The Group's swap agreement expired on March 26, 2014. The Group currently employs no hedging instruments for its interest rate exposure. For further information regarding the Group's fixed and variable rate exposure, see note 17 to the consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013.

Risk Management—Liquidity Risk

The liquidity risk is the risk that the Group cannot meet its short-term payment obligations. The Group has in place a financial policy, which prescribes that the liquidity reserve shall comprise such a level that the reserve can handle the fluctuations that are expected in the daily liquidity within a six-month period. To satisfy this requirement, the Group has in place bank overdraft facilities and confirmed credit facilities. For further information on the Group's overdraft facilities, see note 23 to the consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013.

Risk Management—Exchange Rate Risk

The exchange risk is the risk that foreign exchange rate changes will have a negative impact on the Group's results. The Group's currency exposure emerges at Group-internal financing, when translating external receivables and liabilities and when translating the profit-and-loss statements and balance sheets of foreign subsidiaries to the Group's reporting currency (SEK). The group's currency exposure is divided into transaction exposure (exposure in foreign currencies relating to contractual cash flows and balance sheet items where the currency rate changes impact the profit/loss and cash flows) and translation exposure (equity on foreign subsidiaries).

The currency risk is measured as the impact on the operating profit/loss and equity based on estimated currency movements. The outcome of these estimates is reported annually to the board of directors of Kamila Holding AB. The Group's currency risk is managed by means of currency forwards covering of the exposed net flows. The primary foreign currencies to which the Group is exposed to are the euro, the U.S. dollar, the Australian dollar, the Chinese yuan and the British pound.

Risk Management—Credit Risk

The credit risk is the risk that the counterparty in a transaction does not fulfil its contractual obligations. Maximum credit exposure is equivalent to the posted value of financial assets. Given the Group's distribution of customers and associated risks that the customers are operating in different market segments and geographies, the general underlying credit risk is assessed as relatively low. Individual credit assessments are made for larger exposures. The Group's financial assets that have neither matured nor been written down are considered by the Company to have a good credit rating.

Critical Accounting Estimates and Judgments

The preparation of the Group's financial statements requires its management to make assumptions that affect the reported amount of assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the fiscal period. Estimates and judgments used in the determination of reported results are continuously evaluated.

Estimates and judgments are based on historical experience and on various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The Group's significant accounting policies and a description of use of estimates and judgments are set out in note 1 to the audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 and the lead-in to the notes in the audited consolidated financial statements of Kamila Holding AB as of and for the years ended December 31, 2013 and 2012.

CAPITALIZATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables below sets forth the Company's capitalization and net indebtedness as of March 31, 2015. For information on the Company's share capital and the number of outstanding shares, see *"Share Capital and Ownership Structure".*

The information presented below should be read in conjunction with "*Operational and Financial Review*" and the Company's consolidated financial statements and the notes related thereto included elsewhere in the Prospectus.

	As of March 31, 2015
	(SEK in millions)
Capitalization	
Total current interest bearing debt(1)	248.0
Guaranteed	0
Secured(2)	248.0
Unguaranteed/Unsecured	0
Total non-current interest bearing debt(3) (excluding current portion of long-term debt)	1,646.5
Guaranteed	0
Secured(4)	705.5
Unguaranteed/Unsecured(5)	941.0
Shareholders' equity	914.2
Share capital	0.1
Legal reserve	0.0
Other reserves	914.1

(1) Referred to as "Other liabilities, interest bearing" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(2) All of Svenska Handelsbanken's loans are secured.
(3) Presented as "Interest bearing debts" and "Liabilities to parent company" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(4) Referred to as "Interest bearing debts" in the Company's interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(5) Referred to as "Liabilities to parent company" in the Company's interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

Net indebtedness

	As of March 31, 2015
	(SEK in millions)
[A] Cash(1)	376.5
[B] Cash equivalents	0.0
[C] Trading securities	0.0
[D] Liquidity [A]+[B]+[C]	**376.5**
[E] Current Financial Receivable	**0.0**
[F] Current bank debt(2)	248.0
[G] Current portion of non-current debt	0.0
[H] Other current financial debt	0.0
[I] Current Financial Debt [F]+[G]+[H]	**248.0**
[J] Net Current Financial Indebtedness [I]-[E]-[D]	**128.5**
[K] Non-current bank loans(3)	705.5
[L] Bonds Issued	0.0
[M] Other non-current loans(4)	941.0
[N] Non-current Financial Indebtedness [K]+[L]+[M]	**1,646.5**
[O] Net Financial Indebtedness [J]+[N]	**1,518.0**

(1) Referred to as "Cash and cash equivalents" in the reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(2) Referred to as "Other liabilities, interest bearing" in the Company's interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

(3) Referred to as "Interest bearing debts" in the Company's interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.
(4) Referred to as "Liabilities to parent company" in the Company's interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014.

As of March 31, 2015, the Company's contingent liabilities were SEK 212.7 million. The capitalization and net indebtedness table does not reflect share capital changes that occurred after March 31, 2015. For further information, see *"Share Capital and Ownership Structure – Share Capital Development"*.

Capital structure in connection with the Offering

Concurrently with the Offering, the Company will refinance its Prior Senior Facility using a SEK 1,250 million Senior Facility Agreement with a final maturity date falling five years from the date of the signing of the agreement. The Group's main loan financing will consist of the Senior Facility Agreement. The Senior Facility Agreement is provided by Svenska Handelsbanken AB (publ) and its availability will be subject to closing of the Offering. The refinancing will impact the Company's net interest expense going forward.

Assuming that the facilities provided under the Senior Facility Agreement were available and the above refinancing had taken place on March 31, 2015 with a drawdown of SEK 953.5 million under the revolving credit facility, the Company's net indebtedness would have been SEK 590.7 million as of that date. Amounts drawn under the Senior Facility Agreement carry interest at a variable rate that will be based on the relevant Interbank Offered Rate ("**IBOR**"), plus a margin. The applicable margin depends on the Group's leverage ratio for the relevant compliance period.

The Company's shareholders' equity as of March 31, 2015 was SEK 914.2 million. On May 11, 2015, the annual general meeting of shareholders resolved to carry out a share split (33:1) and a bonus issue without issuance of any new shares whereby the Company's share capital was increased to SEK 660,000. The only change foreseen up to the listing of the Company's shares on Nasdaq Stockholm relates to the set off of the outstanding shareholder loans held by Apolus Holding AB against shares in the Company through a set-off issue.

The table below presents an overview of the Company's capitalization and net indebtedness as of March 31, 2015, adjusted for the events described above (excluding costs related to the Offering and the refinancing), to illustrate what the Company's financial position would have been on March 31, 2015, if the these events had occurred on that date.

SEK in millions	As of March 31, 2015	Write-downs of capitalized costs related to the current financing	Share issue to the Principal Owner(1)	Share capital increase	Refinancing of current indebtedness(2)	As of March 31, 2015, adjusted(1)
Share capital	0.1	n.a.	0.3	0.6	0.0	1.0
Reserves	914.1	(13.7)	940.8	(0.6)	0.0	1,840.6
Total shareholders' equity	**914.2**	**(13.7)**	**941.0**	**0.0**	**0.0**	**1,841.6**
Total liabilities	1,894.5	13.7	(941.0)	n.a.	0.0	967.2
Total liabilities	**1,894.5**	**13.7**	**(941.0)**	**n.a.**	**0.0**	**967.2**
Cash and cash equivalents	376.5	n.a.	0.0	n.a.	0.0	376.5
Current financial receivables	0.0	n.a.	0.0	n.a.	0.0	0.0
Net financial indebtedness	**1,518.0**	**13.7**	**(941.0)**	**0.0**	**0.0**	**590.7**

(1) Assuming an Offer Price corresponding to the midpoint of the Offer Price Range and conversion of the shareholder loans held by Apolus Holding AB on June 17, 2015, as further described under *"Share Capital and Ownership Structure — Conversion of Shareholder Loans"*.
(2) Excluding transaction costs.

Except as set forth above or in "*Operational and Financial Review*", there has been no significant change to the Company's capitalization or indebtedness since March 31, 2015, other than changes resulting from the ordinary course of the Company's business.

Significant events since March 31, 2015

In May 2015, the Company entered into a frame agreement with Statoil for provision of industrial traction elevators to the Johan Sverdrup development. Pursuant to this agreement, the Company received a NOK 148 million order for deliveries scheduled during 2016 and 2017. The frame agreement also includes options for additional orders for other Statoil developments.

On May 11, 2015, the Board of Directors resolved to apply for listing of the Company's shares on Nasdaq Stockholm. On the same date, the annual general meeting of shareholders resolved to carry out a share split (33:1) and a bonus issue without issuance of any new shares whereby the Company's share capital was increased to SEK 660,000. On the same annual general meeting, the Company's articles of association were amended to convert the Company into a public company and to enable affiliation with Euroclear Sweden AB.

On June 17, 2015, the extraordinary shareholders' meeting of the Company is expected to resolve to issue 10,975,371 shares to set off the shareholder loans, conditional upon the listing being completed, and assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. The set-off issue will be completed at a subscription price per share corresponding to the Offer Price.

BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITOR

Board of Directors

According to the Company's articles of association (the "**Articles of Association**"), the Board of Directors shall consist of three to ten members elected by the shareholders at a general meeting. In addition, by law employee organizations are entitled to appoint two ordinary members and an equivalent number of substitutes. The Board of Directors currently consists of six members elected by the annual general meeting held on May 11, 2015 for the period until the end of the 2016 annual general meeting. There are currently two employee representatives appointed to the Board of Directors of the Company. No deputy employee representatives have been appointed to the Board of Directors of the Company.

Pursuant to the requirements of the Swedish Code of Corporate Governance (the "**Code**"), more than half of the members of the Board of Directors elected by the general meeting must be independent of the Company and the management of the Group (the "**Group Management**"). This requirement does not apply to employee representatives. There is no defined standard as to what is meant by "independent", but the independence of a member of the Board of Directors may be questioned, for example, in cases where the member of the Board of Directors, directly or indirectly, has extensive business contacts or other extensive financial dealings with the Company. An overall assessment of a Board member's relationship to the Company shall be made in each individual case.

As regards the composition of the Company's Board of Directors, no member of the Board of Directors elected by the shareholder meeting is employed by the Company or any other company in the group. All members of the Board of Directors elected by the shareholder meeting are considered independent of the Company and the Group Management. Regarding the independence of the Board of Directors, the Code further requires that at least two of the Board members elected by the general meeting must be independent of the Company's principal shareholders. Principal shareholders, as defined in the Code, are shareholders who directly or indirectly control 10% or more of the shares or votes in the Company. See "*Share Capital and Ownership Structure*" for information on the principal shareholders of the Company. Those Board members must also be independent of the Company and the Group Management based on the individual assessment described above. A Board member is not deemed independent of principal shareholders if he or she is employed by or serves as a Board member of a company which is a principal shareholder. When determining whether a Board member is independent of a principal shareholder or not, the extent of the Board member's direct and indirect relations with the principal shareholder is taken into consideration. Four members of the Board of Directors elected by the annual general meeting who are independent of the Company and Group Management are independent of the Company's principal shareholders. Thus, the Company meets the requirements of the Code regarding the independence of the Board of Directors in relation to the Company, the Group Management and the Company's principal shareholders.

The members of the Board of Directors, their year of birth, the year of their initial election, their position, whether or not they are considered independent as defined in the Code in relation to the Company as well as in relation to principal shareholders and their shareholdings in the Company, are set forth in the table below.

Name	Year of birth	Board member since	Position	Independent of the Company and the Group Management	Independent of principal shareholders	Shareholdings in the Company
Anders Thelin	1950	2015	Chairman	Yes	Yes	118,866
Carl Johan Falkenberg	1975	2009	Member	Yes	No	141,438
Göran Gezelius	1950	2009	Member	Yes	Yes	141,438
Joakim Rosengren	1960	2008	Member	Yes	Yes	141,438
Anders Jonsson	1950	2011	Member	Yes	No	282,876
Eva Lindqvist	1958	2015	Member	Yes	Yes	10,791
Kenneth Johansson	1956	2001	Member*	–	Yes	0
Greger Larsson	1959	2009	Member*	–	Yes	0

*Union representative

Members of the Board of Directors

Anders Thelin (Chairman of the Board of Directors and Remuneration Committee)

Board member and Chairman of the Board of Directors since 2015. *Born:* 1950.

Principal education: M.Sc. in Engineering Physics, Uppsala University (1976).

Other current assignments/positions: Chairman of the Board of Logstor AS. Member of the Board of Anders Thelin 2 AB and Lena Thelin AB. President and Member of the Board of Anders Thelin AB.

Previous assignments/positions (past five years): Member of executive management team Sandvik AB, President Sandvik Tooling, President Sandvik Venture, Chairman of the Board Sandvik Intellectual Property AB, Member of the Board Haldex AB and Member of the Board Seco Tools AB.

Shareholding in the Company: 118,866.

Carl Johan Falkenberg

Board member since 2009. *Born:* 1975.

Principal education: M.Sc. in Business Administration from Stockholm University (2000).

Other current assignments/positions: Member of the Board of Kährs Holding AB (publ), Trignition Holding AB, Trignition Acquisition AB, Apolus Holding AB, Alimak Hek Group AB, Kamila Holding AB, RMG Falkenberg Associates Aktiebolag and Infratek AS.

Previous assignments/positions (past five years): Investment Professional and Adviser to the Triton funds.

Shareholding in the Company: 141,438.

Göran Gezelius (Chairman of Audit Committee)

Board member since 2009. Chairman of Audit Committee since 2015. *Born:* 1950.

Principal education: B.Sc. in Business Administration from Stockholm School of Economics (1973). M.Sc. in chemical engineering from the Royal Institute of Technology (1977).

Other current assignments/positions: Chairman of AMF Pensionsförsäkring AB and Chairman of Sekab Biofuel Industries AB and Chairman or Board member of all other legal entities in the Sekab group, Board member of Cleanergy AB and board member and owner of Deplano AB.

Previous assignments/positions (past five years): Member of the Board and Member of the Executive Committee, Association of Swedish Engineering Industries. Member of the Board, Tobii Technology AB and Note AB (publ).

Shareholding in the Company: 141,438 through endowment insurance.

Joakim Rosengren

Board member since 2008. *Born:* 1960.

Principal education: B.Sc. in Business Administration from Stockholm School of Economics (1986). Swedish Defense University, Lieutenant in the Swedish Army (1981).

Other current assignments/positions: CEO and Member of the Board of DeLaval Holding AB and Managing Director and Chairman of the Board of DeLaval International AB.

Previous assignments/positions (past five years): -

Shareholding in the Company: 141,438.

Anders Jonsson

Board member since 2011. *Born:* 1950.

Principal education: M.Sc. in Mechanical Engineering from the Institute of Technology, Linköping (1976).

Other current assignments/positions: Chairman of Talis GmbH. Member of the Board of Rejlers AB (publ), Mycronic AB (publ) and Battenfeld Cincinnati AG. Vice Chairman of the Swiss Swedish Chamber of Commerce, Switzerland.

Previous assignments/positions (past five years): Head of Robotics Division and Member of the Group Executive Committee of ABB.

Shareholding in the Company: 282,876.

Eva Lindqvist

Board member since 2015. *Born:* 1958.

Principal education: M.Sc. in Engineering from the Institute of Technology, Linköping University (1981). Market economy, Marketing Diploma, Institutet för Högre Marknadsföringsutbildning (IHM) (1986). Master of Business Administration (Financial Analysis) from Melbourne University (1992).

Other current assignments/positions: Member of the Board of Caverion Internal Services AB, Com Hem Holding AB (publ), Caverion Oyj, SWECO AB (publ), Bodycote plc., Mycronic AB (publ), Tieto Oyj, ASSA ABLOY AB (publ), Xer Invest AB and Lineco AB.

Previous assignments/positions (past five years): Member of the Board of Revers Holding AB (Episerver), Niscayah AB, Todos AB, Schibsted ASA, KF Media AB, Almi Företagspartner Aktiebolag, Birdstep Technology ASA, Nordia Innovation AB and Transmode Holdings AB. Chairman of the Board of Xelerated, BitSec AB and Admeta AB. CEO in Svenska Smakupplevelser AB and Xelerated Holding AB.

Shareholding in e Company: 10,791.

Kenneth Johansson

Board member since: 2001. *Born:* 1956.

Other current assignments/positions: Member of the Board of Kamila Holding AB and Alimak Hek AB. Elected to employee representative by IF Metall.

Shareholding in the Company: 0.

Greger Larsson

Board member since: 2009. *Born:* 1950.

Other current assignments/positions: Member of the Board of Kamila Holding AB and Alimak Hek AB. Elected to employee representative by PTK.

Shareholding in the Company: 0.

Group Management and Other Senior Executives

The table below sets forth name, year of birth, the year each person became a member of the Group Management, current position and their shareholdings in the Company.

Name	Year of birth	Member of Group Management since	Position	Shareholdings in the Company
Managing Director:				
Tormod Gunleiksrud	1960	2012	President, Chief Executive Officer & Global Head of Business Area Industrial Equipment	495,000
Other Group Management:				
Stefan Rinaldo	1963	2007	Chief Financial Officer	326,469
Rolf J Persson	1965	2007	Executive Vice President & Global Head of Manufacturing	326,469
Nils-Erik Häggström	1954	2007	Executive Vice President & Global Head of Business Area General Industry	326,469
Jose Olguin Calderon	1952	2013	Executive Vice President & Global Head of Business Area Oil and Gas	169,521
Henrik Teiwik	1980	2013	Business Developer & Global Head of Business Area Rental	79,200
Fredrik Betts	1975	2015	Executive Vice President & Global Head of Business Area Construction Equipment	53,790
John Womack	1966	2015	Head of Investor Relations	0
Alexander Pantchev	1980		Chief Procurement Officer	0
Frank Klessens	1964		Executive Vice President, Product Management	326,469
Mike Pagendam	1966	2005	Executive Vice President & Global Head of Business Area After Sales	414,843

Group Management

Tormod Gunleiksrud

Position: President, CEO & Global Head of Business Area Industrial Equipment. *Born:* 1960.

Principal education: Electrical Engineering, Sofienberg Technical School, Oslo (1984).

Other current assignments/positions: Managing Director of Alimak Hek Group AB, Kamila Holding AB and Alimak Hek SRL.

Previous assignments/positions (past five years): President of ABB Engineering Ltd and Group Vice President of ABB Management Services Ltd.

Shareholding in the Company: 495,000.

Stefan Rinaldo

Position: CFO. *Born:* 1963.

Principal education: B.Sc. in Business Administration from Karlstad University (1985).

Other current assignments/positions: Managing Director of Alimak Hek Finance Aktiebolag and Member of the Board of Alimak Hek AB, Alimak Hek Inc, Alimak Hek SRL, Alimak Hek India Pvt Ltd, Alimak Hek Ltd, Alimak Hek Pte Ltd, Heis-Tek Bergen AS and Heis-Tek AS.

Previous assignments/positions (past five years): Senior VP Business Development of Alimak Group and VP Operations of ABB Power Systems.

Shareholding in the Company: 326,469.

Rolf J Persson

Position: Executive Vice President & Global Head of Manufacturing. *Born:* 1965.

Principal education: M.Sc. in Mechanical Engineering from Luleå University of Technology.

Other current assignments/positions: Managing Director of Alimak Hek AB.

Previous assignments/positions (past five years): -

Shareholding in the Company: 326,469.

Nils Erik Häggström

Position: Executive Vice President & Global Head of Business Area General Industry. *Born:* 1954.

Principal education: M.Sc. from Luleå Technical University (1978).

Other current assignments/positions: Member of the Board of Alimak Hek AB, Alimak Hek Vertical Access Equipment (Changshu) Co. Ltd, Alimak Hek Pte Ltd, Alimak Hek Ltd, Alimak Hek Ltd and Alimak Hek Pty Ltd.

Previous assignments/positions (past five years): -

Shareholding in the Company: 326,469.

Jose Olguin Calderon

Position: Executive Vice President & Global Head of Business Area Oil and Gas. *Born:* 1952.

Principal education: BS in Civil Engineering from Universidad Nacional Autonoma de Mexico (1975).

Other current assignments/positions: -

Previous assignments/positions (past five years): Managing Director and VP Business Development of Alimak Group.

Shareholding in the Company: 169,521.

Henrik Teiwik

Position: Business Developer & Global Head of Business Area Rental. *Born:* 1980.

Principal education: M.Sc. in Business Administration from Stockholm School of Economics (2005).

Other current assignments/positions: -

Previous assignments/positions (past five years): Management consultant at McKinsey & Company.

Shareholding in the Company: 79,200.

Fredrik Betts

Position: Executive Vice President & Global Head of Business Area Construction Equipment. *Born:* 1975.

Principal education: Bachelor in Business Administration from Thames Valley University, London (2002).

Other current assignments/positions: -

Previous assignments/positions (past five years): Global Sales Manager at ABB UK Ltd.

Shareholding in the Company: 53,790.

John Womack

Position: Head of Investor Relations. *Born:* 1966.

Principal education: Bachelor of Economics from Lund University (1992).

Other current assignments/positions: Chairman of the Board and Managing Director of Womack Investor Relations AB and Senior Advisor at Fogel & Partners i Stockholm AB.

Previous assignments/positions (past five years): Director Information and IR at Clas Ohlson.

Shareholding in the Company: 0.

Alexander Pantchev

Position: Chief Procurement Officer. *Born:* 1980.

Principal education: London Guildhall University (2004).

Other current assignments/positions: -

Previous assignments/positions (past five years): Strategic Purchasing Manager at ABB.

Shareholding in the Company: 0.

Frank Klessens

Position: Executive Vice President, Product Management. *Born:* 1964.

Principal education: Pius X College Bladel (1979).

Other current assignments/positions: Chairman of the branch organization VSB and Managing Director of Alimak Hek BV.

Previous assignments/positions (past five years): Manager for Business Area Rental, Alimak Hek Group AB.

Shareholding in the Company: 326,469.

Mike Pagendam

Position: Executive Vice President & Global Head of Business Area After Sales. *Born:* 1966.

Principal education: St. Helens Technology College (1984).

Other current assignments/positions: -

Previous assignments/positions (past five years): Member of the Board of Heis-Tek A/S and Heis-Tek Bergen A/S.

Shareholding in the Company: 414,843.

Other Information on the Board of Directors, the Group Management and other Senior Executives

All members of the Board of Directors, the Group Management and other Senior Executives may be contacted at the Company's address Brunkebergstorg 5, SE-111 51 Stockholm, Sweden or by telephone +46 (0)8 402 1440 (Head Office).

No member of the Board of Directors, the Group Management or other Senior Executives has been involved in bankruptcy, mandatory liquidation or bankruptcy administration in the past five years in their respective capacity as Board member or senior executive. No member of the Board of Directors, the Group Management or other Senior Executives has been convicted in any case relating to fraud in the past five years. No accusations and/or sanctions have been issued by any agency authorized by law or regulation (including approved professional organizations) during the past five years against any of the members of the Board of Directors, the Group Management or other Senior Executives. No member of the Board of Directors, the Group Management or other Senior Executives has in the past five years been banned by any court from membership of a company's administrative, management or control bodies, or from holding management or general positions within a company. There are no family ties between members of the Board of Directors, the Group Management or other Senior Executives. No member of the Board of Directors, the Group Management or the other Senior Executives has any private interest that might be in conflict with the Company's interests. Several members of the Board of Directors, the Group Management and other Senior Executives have certain financial interests in Alimak Group AB as a consequence of their direct or indirect shareholdings in the Company. Shareholding members of the Board of Directors and certain shareholder employees of the Company, will undertake, with certain exceptions, not to sell their respective holdings for a certain time period after trading on Nasdaq Stockholm has commenced, see "*Share Capital and Ownership Structure – Lock-up Arrangements*".

Auditor

The most recent auditor election was at the annual general meeting on May 11, 2015, when Ernst & Young AB (in its capacity as registered audit firm) with Rickard Andersson (authorized public accountant and member of FAR, the Swedish Institute for Authorized and Approved Public Accountants) as auditor-in-charge, was re-elected for the period until the end of the 2016 annual general meeting. Deloitte AB had previously been the Company's auditor for the financial years 2004 – 2012, with Henrik Nilsson as auditor-in-charge. Deloitte AB's office address is Rehnsgatan 11, 113 79 Stockholm, Sweden. Following an evaluation of the audit work conducted by Deloitte AB and a benchmark analysis of the offerings made through audit tender, the Company elected to discontinue the services of Deloitte AB in connection with the 2013 annual general meeting and engaged Ernst & Young AB as the registered audit firm of the Company. Ernst & Young AB's office address is Jakobsbergsgatan 24, 102 99 Stockholm.

CORPORATE GOVERNANCE

Corporate Governance

Alimak Group AB is a Swedish public limited liability company. Prior to the listing on Nasdaq Stockholm, the corporate governance of the Company has been based on Swedish law and internal rules and guidelines. Once listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and the Code. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be fully applied from the date of the first annual general meeting held the year after listing. Companies are not obligated to apply every rule in the Code, but are allowed the freedom to choose alternative solutions which fit better to their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in their annual corporate governance reports (the "comply or explain" principle).

The Company will apply the Code from the time of the listing of its shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2015 financial year. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. Currently, the Company does not expect to report any deviations from the Code in the corporate governance report.

Shareholders' Meetings

Pursuant to the Swedish Companies Act, the general meeting is the Company's supreme decision-making body where the shareholders exercise their voting rights. In addition to the annual general meeting, extra general meetings can be convened. The Company's annual general meetings are held in Stockholm, Sweden, every calendar year before the end of June. At the shareholders' meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The Board of Directors are normally elected by the annual general meeting for the period until the end of the next annual general meeting. According to the Articles of Association, the Board of Directors shall, to the extent it is elected by the general meeting of shareholders, consist of not less than three directors, and not more than ten directors.

Notices convening annual general meetings and those extra general meetings at which amendments to the Articles of Association are to be addressed must be issued no earlier than six weeks and no later than four weeks prior to the meeting. Notices convening other extra general meetings must, once the Company's shares are listed, be issued no earlier than six weeks and no later than three weeks prior to the meeting. Notices convening general meetings shall be issued through announcement in the Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on the Company's website. Announcement to the effect that a notice convening a general meeting has been issued shall be made in *Svenska Dagbladet*. Once Alimak Group AB is listed, a press release in Swedish and English with the notice in its entirety will be issued before each general meeting.

Right to Participate in Shareholders' Meetings

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five weekdays (Saturdays included) prior to the general meeting and who have notified the Company of their intention to participate in the general meeting not later than the date indicated in the notice of the general meeting, are entitled to attend the general meeting and vote for the full number of shares they hold.

In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders may attend general meetings in person or by proxy and may be accompanied by a maximum of two assistants.

Shareholder Initiatives

Shareholders who wish to have an issue brought before the general meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors not later than seven weeks prior to the general meeting.

Nomination Committee

Pursuant to the Code, the Company shall have a Nomination Committee, for the purpose of making proposals to the annual general meeting in respect of the chairman at general meetings, Board of Directors, Chairman of the Board of Directors, auditor, remuneration of each Board member (divided between the Chairman of the Board and other Board members, and remuneration for committee work), remuneration to the auditor, and, to the extent deemed necessary, proposal for amendments to the instruction for the Nomination Committee. Until the end of the annual general meeting held on May 11, 2015, the main tasks of the Nomination Committee have been carried out by the Principal Owners as owners of the Company.

At the annual general meeting held on May 11, 2015, it was resolved that the Nomination Committee, prior to the 2016 annual general meeting, shall be composed of representatives of four of the largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of August 31 of each year together with the Chairman of the Board, who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder shall be appointed Chairman of the Nomination Committee. If earlier than two months prior to the annual general meeting in 2016, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the four largest shareholders in terms of voting rights, representatives appointed by these shareholders shall resign and the shareholder or shareholders who has or have then become one of the four largest shareholders in terms of voting rights may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders in terms of voting rights, the largest shareholder in turn. Changes to the composition of the Nomination Committee must be announced immediately.

The composition of the Nomination Committee for each annual general meeting is to be announced no later than six months before such meeting. Remuneration shall not be paid to the members of the Nomination Committee. The Company shall pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

Board of Directors

The duties of the Board of Directors are set forth in the Swedish Companies Act, the Articles of Association and the Code, of which the last will be applicable to the Company after the listing of the shares on Nasdaq Stockholm. In addition to this, the work of the Board is guided by the procedural rules for the Board of Directors, which the Board of Directors adopts annually. The procedural rules for the Board of Directors govern the division of work and responsibility among the Board of Directors, its Chairman and committees. Further, the division of work between the Board of Directors and the Chief Executive Officer is steered by the CEO's instructions, which the Board of Directors adopts annually. The CEO's instructions also specify the financial reporting procedures for the Chief Executive Officer.

The Board of Directors' tasks include adopting strategies, business plans and budgets, interim reports, year-end financial statements and annual reports, and setting instructions, policies and guidelines. The Board of Directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the Board of Directors. Finally, the Board of Directors decides on major investments and changes in the organization and activities of the Company. The Chairman of the Board of Directors is in charge of the work of the Board of Directors, responsible for ensuring that the Board of Director's work is carried out efficiently and that the Board of Directors fulfills its obligations in accordance with applicable laws and regulations. In particular, the Chairman shall, in close collaboration with the Chief Executive Officer, monitor the Company's performance and prepare and chair Board meetings. The

Chairman is also responsible for ensuring that the Board of Directors evaluates its work each year and always receives the information necessary to perform its work effectively. The Chairman represents the Company in relation to its shareholders.

Audit Committee

The overall task of the Audit Committee is to ensure fulfillment of the Board of Directors' supervisory duty in relation to internal control, audit, internal audit, risk assessment, accounting and financial reporting. The Audit Committee shall review procedures and routines in the aforementioned areas and, in connection therewith, form an opinion of whether the Company is applying the rules for financial reporting in a consistent and fair way and in accordance with the relevant procedures and routines. The Audit Committee shall also form an opinion regarding the risk situation in the Company and assess whether the applied procedures for internal control and governance are appropriate and effective and evaluate whether the Company's reporting in the annual accounts regarding risks and handling of risks is correct and adequate. In addition, the Audit Committee shall monitor the impartiality and independence of the auditor, evaluate the audit work and discuss with the auditor the coordination of the external and internal audit. The Audit Committee shall also assist the Company's nomination committee in preparing nominations for auditors and recommendations for audit fees. The Audit Committee has three members: Göran Gezelius (chairman), Carl Johan Falkenberg and Eva Lindqvist. The Audit Committee shall fulfill the requirement in respect of accounting or auditing competence as set forth in the Swedish Companies Act.

Compensation Committee

The task of the Compensation Committee is to prepare matters relating to compensation and other employment terms for the CEO and other senior executives. This work includes proposing guidelines for, among other things, the relationship between fixed and variable compensation and the relationship between performance and compensation, the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination and severance pay, and to make proposals on individual compensation packages for the CEO and other senior executives. Furthermore, the Compensation Committee shall monitor and evaluate the outcome of variable compensation schemes and the Company's compliance with remuneration guidelines adopted by the general meeting. The Compensation Committee is also responsible for assisting the Board of Directors with their annual review of the senior executives, including the managing director, and to assist the Board of Director with the succession planning for the senior executives. The Compensation Committee has three members: Anders Thelin (chairman), Eva Lindqvist and Anders Jonsson.

The CEO and Senior Executives

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information to the Board meetings and for presenting such material at the Board meetings.

According to the instructions for financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's financial condition.

The CEO must continually keep the Board of Directors informed of developments in the Company's operations, the development of sales, the Company's results and financial condition, liquidity, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO, Group Management and other Senior Executives are presented in the section "*Board of Directors, Group Management and Auditor*."

Remuneration to the Members of the Board of Directors, CEO and other Senior Executives

Remuneration to the Members of the Board of Directors

At the annual general meeting held on May 11, 2015, it was resolved that the fee to the Chairman of the Board of Directors should be SEK 600,000 and that the fee to each of the other members of the Board of Directors shall be SEK 300,000. In addition to the board fees, it was resolved that the Chairman of the Audit Committee should receive SEK 100,000, the Chairman of the Compensation Committee SEK 75,000, members of the Audit Committee (the Chairman excluded) SEK 70,000 each, and members of the Compensation Committee (the Chairman excluded) SEK 50,000 each.

At the annual general meeting held on May 11, 2015, it was further resolved that, provided that it is cost neutral for the Company and subject to a written agreement to be entered into between the Company and any company which is wholly owned by the relevant Director, or wholly owned by a Director together with a closely related person, the Company may approve the remuneration to be invoiced through a company which is wholly owned by the Director, or wholly owned by a Director together with a closely related person. In such case, the invoiced fee shall be increased by an amount corresponding to social security contributions under law and, if applicable, VAT under law.

The members of the Board of Directors are not entitled to any benefits following termination of their assignment as members of the Board of Directors. The Chairman of the Board, Anders Thelin, is entitled to a bonus in the amount of SEK 2,288,724 (net of tax and social charges) upon completion of the listing of the Company on Nasdaq Stockholm.

Guidelines for Remuneration to the CEO and other Senior Executives

Pursuant to the Swedish Companies Act, the Board of Directors is required to propose to the annual general meeting guidelines for remuneration of the Chief Executive Officer and other Senior Executives. Such guidelines adopted by the annual general meeting are only applicable to new employment agreements entered into between the Company and the respective Senior Executives, and therefore employment agreements may exist that do not fully conform to the guidelines currently in force.

The basic principle is that remuneration and other terms of employment shall be in line with market conditions and be competitive. The Alimak Group takes into account both global remuneration practices and practice in the home country of each member of senior management. The total remuneration of the senior management should consist of basic salary, variable components in the form of annual and long-term variable remuneration, other benefits and pension. The basic salary should be competitive and reflect responsibility and performance.

All Senior Executives may, from time to time, be offered cash bonuses. In addition, the annual general meeting may resolve to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs shall be intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

Matters of remuneration to the Chief Executive Officer and to other Senior Executives shall be prepared by the Compensation Committee and be resolved by the Board of Directors.

The Board of Directors may deviate from the guidelines in certain cases if there are particular reasons for doing so.

Remuneration financial year 2014

The table below presents an overview of remuneration to the Board of Directors, the Chief Executive Officer and other members of Group Management for the 2014 financial year.

	Fee	Fixed salary	Variable salary	Pension	Other benefits	Total (TSEK)
Members of the Board of Directors	1,050					1,050
Managing Director		3,564	1,166	1,247		5,977
Other members of Group Management		10,138	2,038	3,828	409	16,413

Current Employment Agreements for the CEO, Group Management and other Senior Executives

Remuneration to the Chief Executive Officer and to other members of Group Management and Senior Executives consists of base salary, variable salary, other benefits and pensions. The variable salary generally amounts to a maximum of 40% of the annual base salary and is linked to the performance of the Company.

For a majority of the members of the Group Management and Senior Executives, a notice period of six to 12 months applies if the employment agreement is terminated by the Company. Four of the Group Management members and Senior Executives are entitled to severance pay (during a period of 12 to 18 months). The severance pay of the Chief Executive Officer corresponds to 12 months' base salary.

Information regarding pension commitments is set out in the Company's audited consolidated financial statements as of and for the year ended December 31, 2014, note 20.

Insiders and information policy

The Company has prepared policy documents for the purpose of informing employees and others concerned within the Alimak Group AB and the Group of the rules and regulations applicable to the dissemination of information by the Company and the special requirements imposed on persons who are active in a listed company with regard to, e.g. price-sensitive information. In this context, the Company has also established routines for handling the dissemination of information, which has not been made public (commonly referred to as an insider list or logbook).

Internal Control

The Board of Directors and the Chief Executive Officer are ultimately responsible for ensuring that internal controls are developed, communicated to and understood by the employees of Alimak Group AB who undertake individual control activities, and that the control activities are monitored, enforced, updated and maintained. Managers at all levels are responsible for ensuring that internal controls are established within their own area and that these controls achieve the desired effect.

The Company has at the time of the Prospectus not established a separate function for internal control. This task is performed by the Board of Directors and the Board of Directors' Audit Committee. Moreover, at Group level, the Chief Executive Officer, global business area heads, the global head of manufacturing, the managing director of each local company and the CFO together with the Group finance department are responsible for ensuring that necessary control is performed along with adequate monitoring. The internal controls comprise the control of the Company's and Group's organization, procedures and remedial measures. The object is to ensure reliable and correct financial reporting, and to ensure that the Company's and Group's financial reports are prepared in accordance with law and applicable accounting standards and that other requirements are complied with. The internal control system is also intended to monitor compliance with the Company's and Group's policies, principles and instructions as well as to ascertain that the Company's assets and resources are exploited in a cost-effective and adequate manner. Further, internal control also involves following up on the implemented information and business system and through risk analyses.

The Group's external auditors are also used to validate basic controls related to signatory rights and for special review projects on a case by case basis.

Auditing

The external audit of the accounts of the Company and a majority of its subsidiaries as well as the management by the Board of Directors and the Group Management is conducted in accordance with generally accepted auditing standards. The auditor attends at least one Board meeting per year at which the auditor goes through the audit for the year and discusses the audit with the members of the Board of Directors, without the Chief Executive Officer or any member of the Group Management being present. In the last financial year, in addition to its auditing work, Ernst & Young AB has performed advisory services for the Group companies consisting of tax advice services and other services. The auditor receives compensation for his/her work in accordance with a resolution of the annual general meeting. In 2014, the total remuneration to the Company's auditor amounted to SEK 4,179,000.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

General Information

Pursuant to the Articles of Association, the Company's share capital shall not be less than SEK 660,000 and not more than SEK 2,640,000 divided into not fewer than 33,000,000 shares and not more than 132,000,000 shares. As of the date of the Prospectus (i.e. before set-off of shareholder loans against shares in the Company in accordance with what is described under "*Share Capital and Ownership Structure — Conversion of Shareholder Loans*"), the Company's share capital amounts to SEK 660,000 divided into 33,000,000 shares. Each share has a quota value of SEK 0.02.

Following completion of the Offering, the Company's share capital will amount to SEK 915,784.82 divided into 43,975,371 shares, assuming an Offer Price per share corresponding to the midpoint in the Offer Price Range and that conversion will take place on June 17, 2015, as further described under "*Share Capital and Ownership Structure — Conversion of Shareholder Loans".*

The Company's shares have been issued in accordance with Swedish law, have been fully paid for and will in connection with the listing of the Company's shares on Nasdaq Stockholm be freely transferable. The Company's shares are denominated in SEK.

The Offer Shares are not subject to a mandatory offering, redemption rights, sell-out obligations or similar. No public takeover offer has been made for the offered shares during the current or preceding financial year.

Certain Rights Associated with the Shares

The Offer Shares are of the same class. The rights associated with shares issued by the Company, including those set out in the Articles of Association, can only be changed in accordance with the procedures set forth in the Swedish Companies Act.

Voting Rights

At general meetings of shareholders, each share of the Company carries one vote. Each shareholder is entitled to vote for the full number of shares the shareholder holds in the Company, without limitation on voting rights.

Preferential Rights to New Shares

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the holders of shares have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue. Nothing in the Articles of Association restricts the Company's ability to issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights as provided for in the Swedish Companies Act. See also "*Articles of Association*".

Rights to Dividend and Balances in Case of Liquidation

All shares in the Company carry equal rights to dividends, see "*Business — Financial Targets — Dividend policy",* and to the Company's assets and potential surplus in the event of liquidation.

Resolutions regarding dividends are passed by shareholders' meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If a shareholder cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, there are no restrictions on the right to dividends for shareholders domiciled outside of Sweden. However, shareholders with limited tax liability in Sweden are normally subject to Swedish withholding tax. See also section "*Tax Issues in Sweden.*"

Central Securities Register

The Company's shares are registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates are issued for the Company's shares. The account operator in connection with the Offer is SEB. The ISIN code for the Company's shares is SE0007158910.

Share Capital Development

The table below sets forth the changes in the share capital of the Company since November 2006, and the changes in the number of shares and the share capital which will be made in connection with the listing of the Company's shares on Nasdaq Stockholm.

Date	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)	Quota (par) value (SEK)
November 1, 2006	Incorporation	1,000,000	1,000,000	100,000	100,000	0.1
May 11, 2015	Bonus issue		1,000,000	560,000	660,000	0.66
May 11, 2015	Share split 33:1	32,000,000	33,000,000		660,000	0.02
June 17, 2015	Set-off issue[61]	10,975,371	43,975,371	255,784.82	915,784.82	0.02

Convertibles, Warrants etc. and other share-related instruments

There are no outstanding warrants, convertibles or other share-related instruments in the Company.

Ownership Structure

Prior to the Offering, the Principal Owners, members of the Board of Directors, Senior Executives and certain other shareholders, were the Company's sole shareholders.

Apolus Holding AB will immediately prior to the Offering hold 39,665,736 shares in the Company, corresponding to 90.2% of the shares and votes, assuming that all outstanding shareholder loans held by Apolus Holding AB will be off-set against shares in the Company at a subscription price equal to the midpoint of the Offer Price Range (i.e., SEK 87.5 per share) on June 17, 2015. For additional information on the conversion of the outstanding shareholder loans, see "—Conversion of Shareholder Loans" below. Assuming that Apolus Holding AB will hold 39,665,736 shares in the Company immediately prior to the Offering, after the Offering, the Principal Owners, indirectly through Apolus Holding AB, will own 46.5% of the shares in the Company assuming that the size of the Offering is not increased and the Over-allotment Option is not exercised, 37.5% assuming that the size of the Offering is increased in full and the Over-allotment Option is not exercised and 29.4% assuming that the size of the Offering is increased in full and the Over-allotment Option is exercised in full.

Certain shareholder employees of the Company indicated below will sell up to 20 per cent of their respective holdings in the Company in the Offering.

61 The numbers are based on an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015

The following table sets forth certain information regarding the ownership of the Company immediately prior to the Offering and adjusted for the Offering, the option to increase the size of the Offering and the Over-allotment Option. The ownership information in the table below assumes that all outstanding shareholder loans held by Apolus Holding AB will be off-set against shares in the Company at a subscription price equal to the midpoint of the Offer Price Range (i.e., SEK 87.5 per share) on June 17, 2015.

Shareholders	Immediately prior to the Offering		After the Offering (assuming the Offering is not increased and the Over-allotment Option is not exercised)		After the Offering (assuming the Offering is increased in full and the Over-allotment Option is not exercised)		After the Offering (assuming the Offering is increased in full and the Over-allotment Option is exercised in full)	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Principal Owners								
Apolus Holding AB	39,665,736	90.2	20,437,068	46.47	16,507,068	37.54	12,947,568	29.44
Total Principal Owners	**39,665,736**	**90.2**	**20,437,068**	**46.47**	**16,507,068**	**37.54**	**12,947,568**	**29.44**
Members of the Board of Directors and Senior Executives								
Tormod Gunleiksrud*	495,000	1.13	396,000	0.90	396,000	0.90	396,000	0.90
Anders Jonsson	282,876	0.64	282,876	0.64	282,876	0.64	282,876	0.64
Carl Johan Falkenberg	141,438	0.32	141,438	0.32	141,438	0.32	141,438	0.32
Frank Klessens*	326,469	0.74	261,176	0.59	261,176	0.59	261,176	0.59
Henrik Teiwik	79,200	0.18	79,200	0.18	79,200	0.18	79,200	0.18
Joakim Rosengren	141,438	0.32	141,438	0.32	141,438	0.32	141,438	0.32
José Olguin Calderon*	169,521	0.39	135,617	0.31	135,617	0.31	135,617	0.31
Mike Pagendam*	414,843	0.94	331,875	0.75	331,875	0.75	331,875	0.75
Nils-Erik Häggström*	326,469	0.74	261,176	0.59	261,176	0.59	261,176	0.59
Rolf J Persson*	326,469	0.74	264,000	0.60	264,000	0.60	264,000	0.60
Göran Gezelius*	141,438	0.32	113,151	0.26	113,151	0.26	113,151	0.26
Stefan Rinaldo*(1)	326,469	0.74	262,000	0.60	262,000	0.60	262,000	0.60
Fredrik Betts*	53,790	0.12	43,032	0.10	43,032	0.10	43,032	0.10
Anders Thelin	118,866	0.27	118,866	0.27	118,866	0.27	118,866	0.27
Eva Lindqvist	10,791	0.02	10,791	0.02	10,791	0.02	10,791	0.02
Total members of the Board and Senior Executives	**3,355,077**	**7.63**	**2,842,636**	**6.46**	**2,842,636**	**6.46**	**2,842,636**	**6.46**
Other shareholders								
Dale Stoddard*	131,274	0.30	105,020	0.24	105,020	0.24	105,020	0.24
Fredrik Wiking	47,157	0.11	47,157	0.11	47,157	0.11	47,157	0.11
Jorn Kildegaard	70,719	0.16	70,719	0.16	70,719	0.16	70,719	0.16
Patrik Nolåker	165,000	0.38	165,000	0.38	165,000	0.38	165,000	0.38
Stefan Petersson	94,281	0.21	94,281	0.21	94,281	0.21	94,281	0.21
Wei Chen	141,438	0.32	141,438	0.32	141,438	0.32	141,438	0.32
Keith Carroll*(2)	163,251	0.37	130,614	0.30	130,614	0.30	130,614	0.30
Arlon Capital	141,438	0.32	141,438	0.32	141,438	0.32	141,438	0.32
Total other shareholders	**954,558**	**2.17**	**895,667**	**2.04**	**895,667**	**2.04**	**895,667**	**2.04**
New shareholders(3)	**0**	**0.0**	**19,800,000**	**45.03**	**23,730,000**	**53.96**	**27,289,500**	**62.06**
Total	**43,975,371**	**100**	**43,975,371**	**100**	**43,975,371**	**100**	**43,975,371**	**100**

* *Selling members of the management of the Company.*

(1) *Selling through endowment insurances.*

(2) *Selling through investment vehicles.*

(3) *New shareholders include the Cornerstone Investors.*

As a listed Company, Alimak Group AB will be subject to an extensive framework of laws and regulations that aim to e.g. prevent majority shareholders from misusing their position, including, but not limited to, the rules protecting minority shareholders in the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers and the Code. In accordance with the abovementioned in this section, the Principal Owners' ownership may amount to less than 30% of the shares and votes in the Company if over-allotment is carried out to a certain extent.

If the Managers conduct stabilization measures, the Principal Owners' share of the shares and votes may increase to at least 30% of the votes in the Company, which would trigger the requirement to make a mandatory bid according to the Swedish Act on Public Takeovers on the Securities Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Takeover Act**"). The Principal Owners have obtained an exemption from such mandatory bid requirement from the Swedish Securities Council according to a statement (Statement No. 2015:11). For further information, see sections "*Legal Considerations and Supplementary Information — Placing Agreement*" and *"— Stabilization*".

Conversion of Shareholder Loans

In connection with the Offering, all outstanding shareholder loans held by Apolus Holding AB will be off-set against shares in the Company through a set-off issue (Sw. *kvittningsemission*). The subscription price per share will correspond to the Offer Price. Consequently, assuming the completion of the set-off of the shareholder loans held by Apolus Holding AB described herein, the Principal Owners will hold between approximately 90.0-90.4% of all shares in the Company immediately prior to the Offering, depending on the Offer Price. Based on an Offer Price corresponding to the midpoint of the Offer Price Range, the Principal Owners would hold approximately 90.2% of all outstanding shares in the Company immediately prior to the Offering.

In the event that the Offering is fully subscribed but not extended and the Over-allotment Option is not exercised, the Principal Owners will following completion of the Offering own approximately 46.5% of all shares in the Company, assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. In the event that the Offering is fully subscribed and extended fully, but the Over-allotment Option is not exercised, the Principal Owners will following the completion of the Offering own approximately 37.5% of all shares in the Company, assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015. In the event that the Offering is fully subscribed, extended fully and the Over-allotment Option is fully exercised, the Principal Owners will following the Completion of the Offering own approximately 29.4% of all shares in the Company, assuming an Offer Price corresponding to the midpoint of the Offer Price Range and that set-off of the shareholder loans held by Apolus Holding AB will take place on June 17, 2015.

All calculations relating to the set-off of the shareholder loans, and shareholdings subsequent to the Offering in the Prospectus, unless otherwise stated, assume that set-off of the shareholder loans held by Apolus Holding AB are made at a price in the midpoint of the Offer Price Range (SEK 87.5 per share) and that the Offering is fully extended and that the Over-allotment Option is fully exercised.

Lock-up Arrangements

Under the Placing Agreement which is expected to be entered into on or about June 16, 2015, the Principal Owners and certain shareholder employees of the Company, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced (the "**Lock-up period**"). The Lock-up period for the Principal Owners will be six months, and the Lock-up period for certain shareholder employees of the Company will be 12 months. At the end of the respective Lock-up periods, the shares may be offered for sale, which may affect the market price of the share. Managers may make exceptions from these undertakings.

Under the Placing Agreement, the Company will undertake, with certain exceptions, not to offer or issue shares or other financial instruments convertible into, exercisable or exchangeable for such shares, or publicly announce its intention to do so, for a period of 12 months from the first day of trading in the Company's shares on Nasdaq Stockholm without written consent from the Joint Global Coordinators. See section *"Legal Considerations and Supplementary Information — Placing Agreement".*

Shareholders' Agreement

In connection with the listing of the shares on Nasdaq Stockholm, the existing shareholders' agreement entered into between the Principal Owners and other shareholders in the Company will be terminated.

ARTICLES OF ASSOCIATION

adopted on an Annual General Meeting of the shareholders on May 11, 2015

Reg. no 556714-1857

§ 1

The name of the Company is Alimak Group AB (publ).

§ 2

The registered office of the Company's board of directors shall be in Stockholm county, Stockholm municipality.

§ 3

The object of the Company's business is to own and manage real property, chattels and securities, either directly or through subsidiaries. The Company shall also coordinate the business conducted by the Company's subsidiaries and/or other group or affiliated companies and conduct other ancillary activities.

§ 4

The Company's share capital shall amount to not less than SEK 660,000 and not more than SEK 2,640,000.

§ 5

The number of shares in the Company shall be not less than 33,000,000 and not more than 132,000,000.

§ 6

The board of directors shall consist of not less than three and not more than ten directors.

§ 7

The Company shall appoint not less than one and not more than two auditors, with or without deputy auditor, or one registered accounting firm.

§ 8

Notice of an Annual General Meeting of shareholders and notice of an Extra General Meeting of shareholders in which matters regarding amendments to the Articles of Association are to be addressed shall be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notice of any other Extra General Meeting of shareholders shall be issued not earlier than six weeks and not later than two weeks prior to the meeting.

Notice of a general meeting of shareholders shall be provided by way of an announcement in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) and by publishing the notice on the Company's webpage. At the same time as the notice is given, the Company shall through an advertisement in Svenska Dagbladet inform that notice has been given and in the advertisement provide all information required by law.

§ 9

Shareholders who wish to participate in a General Meeting of shareholders shall be recorded as a shareholder in a print-out or other manifestation of the share register five days before the meeting, as set out in Chapter 7 Section 28 third paragraph of the Companies Act (2005:551), as well as give notice to the Company of his or her intention to participate in the meeting no later than the day that is set forth in the notice of the meeting. The last-mentioned day shall not be a Sunday, or any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall prior to the fifth weekday before the meeting.

§ 10

The shareholder or nominee who is registered on the record date in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorized to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

§ 11

An Annual General Meeting of shareholders shall be held within six months of the expiry of each financial year.

At the Annual General Meeting of shareholders the following items shall be addressed:

1. Election of the chairman of the meeting.

2. Preparation and approval of the voting list.

3. Approval of the agenda.

4. Election of one or two persons to verify the minutes.

5. Determination of whether the meeting has been duly convened.

6. Presentation of the annual report and the auditor's report, and if applicable, the group financial report and the group auditor's report.

7. Resolutions regarding the adoption of the income statement and balance sheet, and if applicable, the consolidated income statement and consolidated balance sheet.

8. Resolutions regarding the allocation of the Company's result in accordance with the adopted balance sheet.

9. Resolutions regarding the discharge from liability for the Board of Directors and the managing director.

10. Resolution regarding the number of directors of the Board, the number of auditors and, if applicable, alternate auditors.

11. Resolution regarding remuneration to the Board of Directors and remuneration to the auditors.

12. Election of directors and chairman, election of auditors and, where appropriate, alternate auditors.

13. Resolution regarding Guidelines for determining salary and other remuneration to the managing director and other persons in the Company's management.

14. Any other matter on which the meeting is required to decide pursuant to the Companies Act (2005:551) or the Articles of Association.

§ 12

The financial year of the Company shall be January 1-December 31.

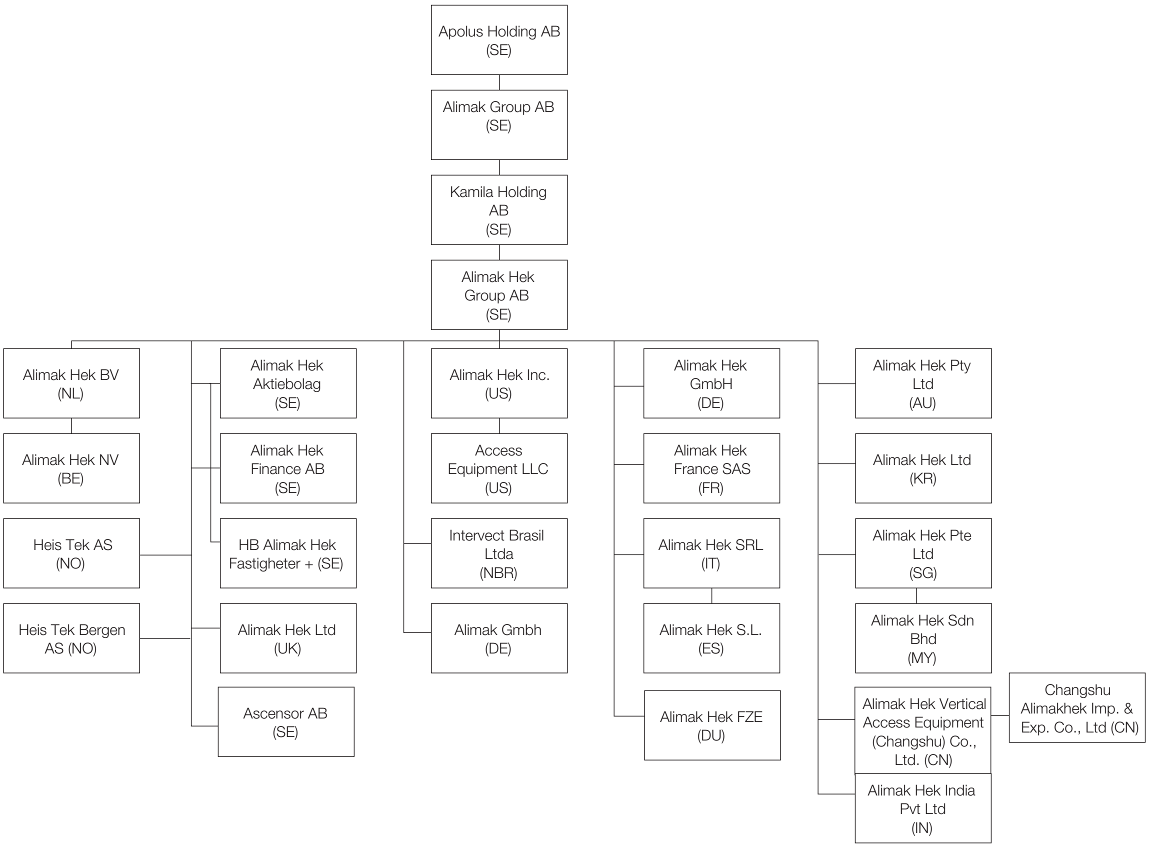
LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Legal Group Structure

The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated on September 27, 2006 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on November 1, 2006. The Company's current name (and trading name), Alimak Group AB, was registered on April 10, 2015. The registered office is situated in the municipality of Stockholm and the Company's corporate identity number is 556714-1857. The business is conducted in accordance with the Swedish Companies Act.

Alimak Group AB is the parent company of the Group, which consists of 27 entities (excluding Alimak Group AB) with operations in 18 countries.

The following group structure chart sets forth details of Alimak Group AB's principal subsidiaries:



Material Agreements

Below is a summary of material agreements (other than agreements entered into in the ordinary course of business) into which either Alimak Group AB or its subsidiaries has entered into within the two years immediately preceding the date of the Prospectus, as well as a summary of any other agreement (that is not an agreement entered into in the ordinary course of business) that either Alimak Group AB or its subsidiaries has entered into that contains obligations or entitlements that are material to the Group as of the date of the Prospectus.

For a description of the Company's material financing agreements, see "*Operational and Financial Review — Indebtedness*". For information about shareholders' agreements regarding the Company see *"Share Capital and Ownership Structure — Shareholders' Agreement"*.

Heis-Tek Acquisition

On May 8, 2014, Alimak Hek Group AB entered into a sale and purchase agreement with the owners of Heis-Tek AS ("**Heis-Tek Onarheim**") and Heis-TEK Bergen AS ("**Heis-Tek Bergen**" and, together with Heis-Tek Onarheim, the "**Heis-Tek**") for the acquisition of all the outstanding shares in Heis-Tek.

The acquisition was completed in June, 2014. Prior to completion of the acquisition of the Heis-Tek, the assets, shares and liabilities of Heis-Tek Onarheim's onshore business were divested, and thus only Heis-Tek Onarheim's offshore business was acquired by Alimak Hek Group AB.

The share purchase agreement contains warranties and covenants from the sellers regarding Heis-Tek's corporate status, capitalization, financial statements, tax, assets, intellectual property rights, litigation and claims, material agreements, insurance, employees, real property, change of control, permits and compliance with law as well as warranties regarding ownership of the shares, etc. The sellers bear joint and several liability for any losses that Alimak Hek Group AB may incur as a result of breach of a warranty, covenants or other obligation under the share purchase agreement, provided that the joint liability shall only apply with respect to the Heis-Tek entity each respective seller owned. The seller's liability under the general warranties, aside from the warranties related to taxation, is limited in time to claims notified before June 30, 2016. Further, the sellers have provided specific uncapped indemnities for losses incurred due to: the divestment of Heis-Tek Onarheim's onshore business; the accounts for work in progress not reflecting the true and fair value; the lack of ISO 9001 certification for the Heis-Tek; and customer claims relating to work and circumstances prior to the completion of the transaction. The sellers bear joint liability for the specific indemnities. No claims have yet been lodged.

Placing Agreement

According to the terms of the Placing Agreement, which is expected to be entered into on or about June 16, 2015, the Principal Owners and certain shareholder employees of the Company will undertake to offer the Existing Shares. In addition, the Principal Owners have reserved the right to increase the Offer by selling the Additional Shares, if applicable, to purchasers procured by the Managers. Managers will, according to the Placing Agreement, undertake to procure purchasers for, or failing which to purchase themselves, the Existing Shares and the Additional Shares, if applicable.

Furthermore, the Principal Owners will grant the Managers an Over-allotment Option, which may be exercised within 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, pursuant to which the Principal Owners commit to, at the request of the Managers, increase the Offering and sell up to 3,559,500 Optional Shares at the Offer Price assuming that the Offering is increased in full. The Over-allotment Option may only be exercised to cover possible over-allotments in connection with the Offering.

Pursuant to the Placing Agreement, the Company, the Principal Owners and certain shareholder employees of the Company will agree to certain lock-up arrangements, as discussed further under "*Share Capital and Ownership Structure — Lock-up Arrangements*"

Pursuant to the Placing Agreement, the Company and the Principal Owners will undertake, subject to customary reservations, to indemnify the Managers against certain liabilities. The Company and the Principal Owners will also compensate Managers for certain costs incurred by the Managers in connection with the Offering.

The Offering is conditional upon the Placing Agreement being entered into between the Company, the Principal Owners and the Managers, certain conditions in the Placing Agreement being fulfilled and the Placing Agreement not being terminated.

Stabilization

The Stabilizing Manager or its agents, on behalf of the Managers, may engage in transactions that stabilize, maintain or otherwise affect the price of the Offer Shares for up to 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm. Specifically, the Managers may over-allot up to 15% of the aggregate number of Existing Shares and Additional Shares or effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail. Such stabilization measures may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise. The Stabilizing Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilizing Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Within one week of the end of the stabilization period, the Managers will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out. None of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Offer Shares. In addition, none of the Company, the Principal Owners, any of the Selling Shareholders or any of the Managers makes any representation that they will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Related Party Transactions

The Company applies IAS 24 Related Party Disclosures.

The Company has had expense to the Principal Owners for interest on shareholder loans, so-called "PIK notes". These shareholder loans, including accrued interest, will be converted in their entirety in connection with the implementation of the Offering, see *"Share Capital and Ownership Structure – Conversion of Shareholder Loans*".

Certain managers, members of the Board of Directors and other key employees have invested in the Company through a customary equity participation program (the "**MIP**"), which will be terminated in connection with the Offering.

The Company purchases services from West Park Management Services Ltd. On a continuous and on demand basis. The Board member Anders Jonsson acts on a consultancy basis as senior industry expert for West Park Management Services Ltd. West Park Management Services Ltd process services exclusively to Triton and Triton portfolio companies. The arrangement with West Park Management Services Ltd will be terminated prior to the Offering.

Apart from as described above, none of the members of the Board of Directors, the Group Management or the Principal Owners have or have had part in any transactions with the Company which are or were unusual in their nature or condition, or significant to the Company's business taken as a whole and that were effected during the current or immediately preceding three financial years, or during any earlier financial year and which remain in any respect outstanding or unperformed.

For information regarding remuneration to the Directors and the Group Management, see "*Board of Directors, Group Management and Auditor*".

For additional information see Note 25 to the Company's audited consolidated financial statements as of and for the year ended December 31, 2014 included elsewhere in the Prospectus.

Interests of Advisors

Citi and SEB are acting as the Joint Global Coordinators, and together with Carnegie, are acting as the Joint Bookrunners and Managers in the Offering. The total remuneration paid to the Managers will partly depend on the success of the Offering. Some of the Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or the Principal Owners or any of the Company's respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests not aligned, or could potentially conflict with investors' and the Company's interests.

Costs Related to the Offering

Alimak Group AB's costs associated with the listing on Nasdaq Stockholm and the Offering are expected to amount to approximately SEK 40.0 million, of which SEK 10.4 million has been booked as administrative expenses to the result for 2014 and the remaining approximately SEK 29.6 million will be booked as administrative expenses to the result for 2015. Such costs are mainly related to costs for auditors, attorneys, printing of the Prospectus, costs related to management presentations, etc.

Subscription Undertakings

The Cornerstone Investors have agreed with the Principal Owners and the Managers to, directly or indirectly, in aggregate, acquire at the final Offer Price a number of Offer Shares equivalent to (i) 5.95% of the total number of the Offer Shares sold by the Principal Owners, and (ii) 7.0% of the total number of shares in the Company after the Offering (calculated after full dilution), and (iii) 5.0% of the total number of shares in the Company after the Offering (calculated after full dilution), respectively, subject to, among other things: (i) completed listing of the Offer Shares such that the first day of trading in the Company's shares occurs no later than June 30, 2015; (ii) the Offer Price not exceeding SEK 95 (i.e. the high-end of the Price Range); (iii) the Company achieving a free float of at least 40% of the Company's share capital following the Offering (calculated after full dilution) and (iv) such Cornerstone Investor being allocated in full the Offer Shares relating to its commitment. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire their Offer Shares. The Cornerstone Investors will not receive any compensation for their respective undertakings and the Cornerstone Investors' investments are made at the final Offer Price. The undertakings are however not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement.

Cornerstone Investors	Subscription undertaking (% of the Company's shares following completion of the Offer)	Number of shares(1)
Peder Prahl	5.95(2)	1,589,731
Lannebo Fonder AB	7.00(3)	3,078,275
Swedbank Robur Fonder AB	5.00(3)	2,198,768
Total		

(1) Based on full subscription in the Offering and the midpoint of the price range in the Offering of SEK 87.5.

(2) Per cent of the total number of the Offer Shares sold by the Principal Owners.

(3) Per cent of the Company's shares following completion of the Offer (calculated after full dilution).

Description of Cornerstone Investors

Peder Prahl

Peder Prahl is a Managing Partner, member of the board of directors of the General Partner and the Investment Committee for all Triton funds.

Lannebo Fonder AB

Lannebo Fonder AB is an independent active Swedish fund manager which manages investment funds predominately focused on Swedish and Nordic equities.

Swedbank Robur Fonder AB

Swebank Robur Fonder AB is one of Scandinavia's largest mutual fund managers and a wholly owned subsidiary of Swedbank. Swedbank Robur offers savings products for private individuals and institutional clients through investment funds and discretionary investment management.

Documents Available for Inspection

Copies of the following documents will be on display during the offer period during ordinary office hours on weekdays at the Company's offices at Brunkebergstorg 5, SE-111 51 Stockholm, Sweden:

- the Articles of Association;
- the Company's annual reports as of and for the years ended December 31, 2014 and 2013, including auditors' reports;
- Kamila Holding AB's annual reports as of and for the years ended December 31, 2013 and 2012, including auditor's reports; and
- The Company's interim report as of and for the three months ended March 31, 2015 and 2014.

The documents will also be available electronically on the Company's website, www.alimakgroup.com.

Legal and Other Matters

Please refer to "*Business — Material Litigation*", "*Business — Intellectual Property",* and "*Business — Insurance*" for a description of material legal proceedings, matters relating to intellectual property and the Company's insurance coverage, respectively.

TAX ISSUES IN SWEDEN

Below is a summary of certain Swedish tax issues related to the Offering and the admission to trading of the shares in the Company on Nasdaq Stockholm for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide only general information regarding the shares in the Company as of the admission to trading on Nasdaq Stockholm.

The summary does not cover:

- *situations where shares are held as current assets in business operations;*
- *situations where shares are held by a limited partnership or a partnership;*
- *situations where shares are held in an investment savings account (Sw. investeringssparkonto);*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in the Company that are deemed to be held for business purposes (for tax purposes);*
- *the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares;*
- *the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag);*
- *foreign companies conducting business through a permanent establishment in Sweden; or*
- *foreign companies that have been Swedish companies.*

Special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend to some extent on the holder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offering and the admission to trading of the shares in the Company on Nasdaq Stockholm, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.

Private Individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30%.

Capital losses on listed shares may be fully offset against taxable capital gains in the same year on shares, as well as on listed securities taxed as shares (however not mutual funds (Sw. *värdepappersfonder*), or hedge funds (Sw. *specialfonder*) containing only Swedish receivables (Sw. *räntefonder*)). Capital losses not absorbed by these set-off rules are deductible at 70% in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30% of the net loss that does not exceed SEK 100,000 and 21% of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30% is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Limited Liability Companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 22%.[62]

62 As of January 1, 2013 the tax rate has been reduced from 26.3% to 22%. The lower tax rate applies to tax years commenced after December 31, 2012.

Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

Shareholders Not Resident in Sweden for Tax Purposes

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The tax rate is 30%. The tax rate is, however, generally reduced through tax treaties for the avoidance of double taxation. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Shareholders not resident in Sweden for tax purposes (which are not conducting business through a permanent establishment in Sweden) are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in the Company, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties for the avoidance of double taxation.

INFORMATION TO INVESTORS IN THE UNITED STATES AND OTHER JURISDICTIONS OUTSIDE OF SWEDEN

Important Notice

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the Offer Shares, or the possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands the Prospectus comes are required by the Company, the Principal Owners and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company, the Principal Owners nor the Managers accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Shares, of any such restrictions.

No representation or warranty, express or implied, is made by the Managers as to the accuracy or completeness of any information contained in the Prospectus. In making an investment decision, investors must rely on their own assessment of the Company and the terms of this Offering, including the merits and risks involved. No person is or has been authorized to give any information or make any representation in connection with the offer or sale of the Offer Shares other than those contained in the Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by Alimak Group AB, the Principal Owners or the Managers and none of them accept any liability with respect to any such information or representation.

Neither the delivery of the Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. In the event of any changes to the information in the Prospectus that may affect the valuation of the Offer Shares during the period from the date of announcement to the first day of trading, such changes will be announced in accordance with the provisions of Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act (1991:980) (Sw. *lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**"), which, among other things, governs the publication of prospectus supplements.

A separate prospectus in Swedish has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Trading Act, implementing the Prospectus Directive. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided herein is correct or complete.

The distribution of the Prospectus and the offer or sale of the Offer Shares in certain jurisdictions is restricted by law. No action has been taken by the Company, the Principal Owners or the Managers to permit a public offering in any jurisdiction other than Sweden. Persons into whose possession the Prospectus may come are required by the Company, the Principal Owners and the Managers to inform themselves about and to observe such restrictions. The Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer. For further information with regard to restrictions on offers and sales of the Offer Shares and the distribution of the Prospectus, see "*Selling Restrictions*" and "*Sale and Transfer Restrictions*". Investors agree to the foregoing by accepting delivery of the Prospectus.

The Managers are acting for the Principal Owners and the Company and no one else in relation to the Offering. The Managers will not be responsible to anyone other than the Principal Owners and the Company for providing the protections afforded to clients of the Managers nor for providing advice in relation to the Offering.

IN CONNECTION WITH THE OFFERING, THE STABILIZING MANAGER, OR ITS AGENTS, ON BEHALF OF THE MANAGERS, MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN

OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR UP TO 30 DAYS FROM THE FIRST DAY OF TRADING IN THE COMPANY'S SHARES ON NASDAQ STOCKHOLM. SPECIFICALLY, THE MANAGERS MAY OVER-ALLOT UP TO 15% OF THE AGGREGATE NUMBER OF EXISTING SHARES AND ADDITIONAL SHARES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. SUCH STABILIZATION MEASURES MAY BE EFFECTED ON NASDAQ STOCKHOLM, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. THE STABILIZING MANAGER AND ITS AGENTS ARE NOT REQUIRED TO ENGAGE IN ANY OF THESE ACTIVITIES AND, AS SUCH, THERE IS NO ASSURANCE THAT THESE ACTIVITIES WILL BE UNDERTAKEN; IF UNDERTAKEN, THE STABILIZING MANAGER OR ITS AGENTS MAY END ANY OF THESE ACTIVITIES AT ANY TIME AND THEY MUST BE BROUGHT TO AN END AT THE END OF THE 30-DAY PERIOD MENTIONED ABOVE. WITHIN ONE WEEK OF THE END OF THE STABILIZATION PERIOD, THE MANAGERS WILL MAKE PUBLIC WHETHER OR NOT STABILIZATION WAS UNDERTAKEN, THE DATE AT WHICH STABILIZATION STARTED, THE DATE AT WHICH STABILIZATION LAST OCCURRED AND THE PRICE RANGE WITHIN WHICH STABILIZATION WAS CARRIED OUT, FOR EACH OF THE DATES DURING WHICH STABILIZATION TRANSACTIONS WERE CARRIED OUT. NONE OF THE COMPANY, THE PRINCIPAL OWNERS, ANY OF THE SELLING SHAREHOLDERS OR ANY OF THE MANAGERS MAKES ANY REPRESENTATION OR PREDICTION AS TO THE DIRECTION OR THE MAGNITUDE OF ANY EFFECT THAT THE TRANSACTIONS DESCRIBED ABOVE MAY HAVE ON THE PRICE OF THE OFFER SHARES. IN ADDITION, NONE OF THE COMPANY, THE PRINCIPAL OWNERS, ANY OF THE SELLING SHAREHOLDERS OR ANY OF THE MANAGERS MAKES ANY REPRESENTATION THAT THEY WILL ENGAGE IN THESE TRANSACTIONS OR THAT THESE TRANSACTIONS, ONCE COMMENCED, WILL NOT BE DISCONTINUED WITHOUT NOTICE.

SEE "LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION – STABILIZATION".

Important Information Concerning the Opportunity to Sell Allocated Offer Shares

Please note that the notification to the general public in Sweden of the allocation of Offer Shares will be made through the distribution of contract notes, which are expected to be distributed on June 17, 2015. After the funds for the allocated Offer Shares have been drawn by SEB, Offer Shares that have been paid for will be transferred to the securities account or custody account designated by each respective purchaser. Due to the time required to distribute contract notes, transfer funds and transfer Offer Shares to purchasers, the acquired Offer Shares will not be available to purchasers in their designated securities accounts service accounts or securities depository accounts until on or about June 22, 2015. See "*Terms, Conditions and Instructions*".

Trading in the shares of the Company on Nasdaq Stockholm is expected to commence on or about June 17, 2015. The fact that the Offer Shares will not be available on the purchaser's securities account service account or securities depository account before June 22, 2015 means that the purchaser may not be able to sell the Offer Shares on Nasdaq Stockholm from the day that trading in the Offer Shares commences, but only from the day the Offer Shares are available in the securities account, service account or securities depository account. Purchasers may receive notification of allocation from 9:00 CET on June 17, 2015 from SEB. See "*Terms, Conditions and Instructions*". All times noted in the Prospectus are references to CET.

Selling Restrictions

Notice to Prospective Investors in the United States

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**") or with any securities regulatory authority of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Offer Shares are being: (i) sold in the United States only to "qualified institutional buyers" ("**QIBs**") in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A of the U.S. Securities Act ("**Rule 144A**"); and (ii) offered and sold outside the United States in compliance with Regulation S of the U.S. Securities Act ("Regulation S") and in accordance with applicable law. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker dealers who are registered as such under the U.S. Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act. For certain restrictions on the sale and transfer of the Offer Shares, see "*Selling Restrictions*" and "*Sale and Transfer Restrictions*".

In addition, until 40 days after the commencement of the offering of the Offer Shares, an offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

In the United States, the Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in the Prospectus has been provided by the Company and other sources identified herein. Distribution of the Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of the Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Offer Shares.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to Prospective Investors in the European Economic Area

In any Member State of the European Economic Area ("**EEA**") other than Sweden that has implemented the Prospectus Directive, the Prospectus is only addressed to, and is only directed at, investors in that EEA Member State, which fulfills the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Directive as implemented in each such EEA Member State.

The Prospectus has been prepared on the basis that all offers of Offer Shares, other than the offer contemplated in Sweden, will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of Offer Shares. Accordingly any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the placement contemplated in the Prospectus should only do so in circumstances in which no obligation arises for the Company, the Principal Owners or any of the Managers to produce a prospectus for such offer. Neither the Company, the Principal Owners nor the Managers have authorized, nor do the Company, the Principal Owners or the Managers authorize, the making of any offer of Offer Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in the Prospectus.

The Offer Shares have not been, and will not be, offered to the public in any Member State of the EEA that has implemented the Prospectus Directive, excluding Sweden (a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Principal Owners or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer to the public" in relation to any Offer Shares in any Relevant Member State means communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase or subscribe for Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Investors in the United Kingdom

Offers of the Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication of a prospectus by the Company pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000.

Any investment or investment activity to which the Prospectus relates is only available to, and will only be engaged in with persons who: (i) are investment professionals falling within Article 19(5); or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of the Prospectus and should not act or rely on it.

Enforcement of Liabilities

The Company is a public limited company incorporated under the laws of Sweden. The members of the Board of Directors, the Group's Management and the Principal Owners reside outside of the United States. In addition, a substantial proportion of the assets of the members of the Board of Directors, the Group Management, the Principal Owners and the Group is located outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon the Company or its directors, the Group's management or the Selling Shareholder, or to enforce in U.S. courts judgments against them obtained in those courts based upon the civil liability provisions of the federal securities laws of the United States. Furthermore, there is substantial doubt as to the enforceability in Sweden, whether by original actions or by seeking to enforce a judgment of a U.S. court, of claims based on the federal securities laws of the United States.

Additional Information

The Company has agreed that it will, during any period in which it is neither subject to the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of Offer Shares, or to any prospective purchaser designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

Sale and Transfer Restrictions

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(4) the purchaser is not an affiliate of ours or a person acting on behalf of such affiliate;

(5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(6) the purchaser acknowledges that the Company and the Principal Owners shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(8) the purchaser acknowledges that the Company and the Selling Shareholder, the Managers and their respective affiliates will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state of the United States;

(3) the purchaser (i) is a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act), (ii) is aware, and each beneficial owner of such Offer Shares has been advised, that the sale to it is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Offer Shares for its own account or for the account of a qualified institutional buyer;

(4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) in compliance with Regulation S under the U.S. Securities Act, or (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;

(7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser acknowledges that the Company and the Principal Owners shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(10) the purchaser acknowledges that the Company and the Selling Shareholder, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Relevant Member State, other than persons receiving offers contemplated in the Swedish Prospectus in Sweden, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Managers, the Principal Owners and the Company that:

(1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(2) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression "offer" in relation to any of the Offer Shares in any Relevant Member States means communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Specific Tax Considerations for Shareholders who are not Tax Resident in Sweden

Dividend Taxation

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable.

The withholding tax rate is 30%. However, the tax rate is generally reduced for shareholders resident in other jurisdictions with which Sweden has entered into tax treaties for the avoidance of double taxation. The Convention Between the Government of Sweden and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**") enables an at-source reduction of the Swedish withholding tax at the time of payment of dividends, provided that necessary information is made available in relation to the person entitled to such dividends. Under the Treaty the tax rate is reduced to 5% for companies owning shares representing at least 10% of the total voting rights of the company declaring the dividend, and to 15% in other cases. The tax rate for companies and pension funds may be further reduced to 0% if certain requirements set out in the Treaty are fulfilled. In Sweden, normally Euroclear Sweden, or in the case of nominee-registered shares, the nominee, carries out the deduction of withholding tax.

If a 30% withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in case too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the year of the dividend distribution.

Capital Gains Taxation

Shareholders not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are normally not subject to Swedish capital gains taxation on the disposal of shares. The shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties for the avoidance of double taxation between Sweden and other countries, for example by limiting the ten calendar year time period. However, the time period is not reduced under the Treaty.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Offer Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Offer Shares that are U.S. Holders and that will hold the Offer Shares as capital assets. The summary does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Offer Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5% or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Offer Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Offer Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of the Offer Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organized under the laws of the United

States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds the Offer Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of the Offer Shares by the partnership.

Except as otherwise noted, the summary assumes that the Company is not a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes. However, the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the Treaty, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE OFFER SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Shares

Dividends

General. Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Swedish withholding tax paid by the Company with respect thereto, generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Offer Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to the Offer Shares will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company generally will be taxable to a non-corporate U.S. Holder at the reduced rate normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the income tax treaty between the United States and Sweden, and certain other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Company if the Company is a PFIC during the taxable year in which the dividends are received or during the preceding taxable year. See "– *Passive Foreign Investment Company Considerations*" below.

Foreign Currency Dividends. Dividends paid in SEK will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the U.S. Holder, regardless of whether the SEK are converted into U.S. dollars at that time. If dividends received in SEK are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

Effect of Swedish Withholding Taxes. As discussed in "*Tax Issues in Sweden*" and "*Specific Tax Considerations for Shareholders who are not Tax Residents in Sweden,*" under current law, payments of dividends by the Company to foreign investors are generally subject to a 30% Swedish withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15%. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Swedish taxes withheld, and as then having paid over the withheld taxes to the Swedish taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the dividend payment.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for the withheld Swedish income taxes. U.S. Holders eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Swedish withholding taxes withheld in excess of the 15%. The rules governing foreign tax credits are complex, and U.S. Holders should consult their own tax advisors regarding the withholding of foreign tax credits in their particular circumstances.

Sale or other Disposition

Upon a sale or other disposition of the Offer Shares, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Offer Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Offer Shares exceeds one year. Net long-term capital gains recognized by certain non-corporate U.S. Holders will be taxed at a lower rate than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

A U.S. Holder's tax basis in a Share generally will be its U.S. dollar cost. The U.S. dollar cost of a Share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of the Offer Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realized on a sale or other disposition of the Offer Shares for an amount in foreign currency generally will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder generally will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of the Offer Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to the U.S. dollar value on the settlement date. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase the Offer Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Company does not believe that it was a PFIC for its prior taxable year and does not expect to become a PFIC in its current taxable year or in the foreseeable future. However, the

Company's possible status as a PFIC must be determined annually and therefore may be subject to changes. PFIC status depends on the composition of a company's income and assets and the fair market value of its assets (including, among others, less than 25% owned equity investments) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that the Company will not be a PFIC for any taxable year. If the Company were to be treated as a PFIC, U.S. Holders of the Offer Shares would be required (i) to pay a special U.S. addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of the Offer Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC regime.

Information Reporting and Backup Withholding

Payments of dividends and other proceeds with respect to the Offer Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

U.S. taxpayers that own certain foreign financial assets, including equity of foreign entities, with an aggregate value in excess of USD 50,000 at the end of the taxable year or USD 75,000 at any time during the taxable year (or, for certain individuals living outside the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. The Offer Shares are expected to constitute foreign financial assets subject to these requirements unless the Offer Shares are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisors regarding the application of the rules relating to foreign financial asset reporting.

THE SWEDISH SECURITIES MARKET

The following is a description of the Swedish securities markets, including a brief summary of certain provisions of the laws and securities market regulations in Sweden in effect on the date of the Prospectus. The summary is not intended to provide a comprehensive description of all such regulatory matters and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarized below may be amended or reinterpreted.

Nasdaq Stockholm

Nasdaq Stockholm is a regulated market in Sweden, operated by Nasdaq Stockholm, and the principal Swedish market on which shares, bonds, derivatives and other securities are traded. One list, the Nordic List, is used for trading shares on Nasdaq Stockholm and all transactions, except for interest-bearing financial instruments, are executed through INET. Companies on the Nordic List are divided into three segments: Large Cap, Mid Cap and Small Cap. Companies with a market capitalization in excess of €1 billion are included in the Large Cap segment. Companies with a market capitalization between €150 million and 1 billion, such as the Company, are included in the Mid Cap segment, while companies with a market capitalization below €150 million are included in the Small Cap segment. The segments are normally revised at year-end and the segments are reset, effective on the first trading day in January, based on average market capitalization in November the year before. Companies with a market capitalization of more than 50% of the minimum or maximum threshold of a segment will be transferred into a new segment with immediate effect. Companies with a market capitalization of less than 50% of the minimum or maximum segment threshold will have a transitional period until the next forthcoming review (or at least 12 months), and thus be subject to one more review before transferring into a new segment. Furthermore, listed companies are divided into industry sectors in accordance with the global standard ICB ("Industry Classification Benchmark"). This classification is based on a company's main operations, i.e., the business area that generates the most revenue for the company.

Trading in Securities on Nasdaq Stockholm

Trading on Nasdaq Stockholm is conducted on behalf of customers by duly authorized Swedish and foreign banks and other securities brokers, as well as the Swedish Central Bank. While banks and brokers are permitted to act as principals in trading both on and off Nasdaq Stockholm, they generally engage in transactions as agents. Settlement of trades take place through an electronic account-based security system administered by Euroclear Sweden. See "— *Securities Registration*".

Trading through INET comprises all securities listed on Nasdaq Stockholm, except for interest-bearing financial instruments, such as bonds. Member firms of Nasdaq Stockholm are able to operate from remote locations via computer access. The brokers' representatives are able to trade shares via workstations that have been developed by Nasdaq Stockholm or via their own electronic data processing systems that are linked to INET. The round lot for all shares traded on Nasdaq Stockholm is one share. In INET, bids and offers are entered in the relevant order book and automatically matched to trades when price, volume and other order conditions are met. INET continuously broadcasts all trading information. The information is displayed in real time in the form of order books, market summaries, concluded trades, index information and different kinds of reports. A two-day settlement schedule (T+2) applies to share trading.

Nasdaq Stockholm's trading hours in respect of equities are 9:00 to 17:25 CET on business days. Before the trading hours, there is a pre-open session (08:00 to 09:00 CET) during which orders can be placed, but where no automatic order matching occurs. The trading hours start with a so-called opening call uncross where each share is assigned its opening price and then becomes subject to continuous trading. At 17:25 CET, continuous trading is halted followed by a pre-close session (17:25 to approximately 17:30 CET). During the pre-close session, orders can still be placed but no automatic order matching occurs. The pre-close session ends with a so-called closing call uncross, which is carried out in respect of each separate share in the same order as the opening call uncross. The price generated at the closing call uncross (or, in absence thereof, the last trading price) is the official closing price. The trading hours are followed by a post-trading session (17:30 to 18:00 CET) in which changes to, and cancellations of, orders, as well as off-hours transactions, are permitted.

In addition to official trading on Nasdaq Stockholm through automatic order matching in INET, shares may also be traded off Nasdaq Stockholm, i.e., outside INET, during, as well as after, the official trading hours (through "manual trading"). Manual trades during trading hours must normally be entered into at a price within the volume weighted average spread reported in INET at the time of the trade or, as regards manual trades during the closing call, at the time prior to the closing call auction. Outside the trading hours, manual trades must normally be effected at a price within the volume weighted average spread reported in INET at the close of trading hours. However, in the absence of a spread and in situations where there is a change in the market conditions during the closing call or after the close of trading hours, as the case may be, manual trades must take place at a price that takes into account the market situation at the time of the trade. Manual trades which qualify as large scale (€50,000 - €500,000, depending on the average daily turnover in the relevant share) may be effected without regard to any spread. Trading on Nasdaq Stockholm tends to involve a higher percentage of retail clients while trading off Nasdaq Stockholm, whether directly or through intermediaries, often involves larger Swedish institutions, banks arbitraging between the Swedish market and foreign markets, and foreign buyers and sellers purchasing shares from, or selling shares to, Swedish institutions.

All manual trades must normally be reported in INET within three minutes from the time of the trade, although trades outside the official trading hours must be reported during the pre-trading session on the following exchange day and not later than 15 minutes prior to the opening of the trading hours.

Securities Market Regulations

The Nordic List is regulated by EU directives, primarily Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"), which has been implemented through the Swedish Securities Market Act of 2007 (Sw. *lag (2007:528) om värdepappersmarknaden*) (the "**Securities Market Act**"). Nasdaq Stockholm is authorized pursuant to the Securities Market Act to operate a regulated market under the supervision of the SFSA. The SFSA is a governmental agency responsible for, among other things, supervising and monitoring the Swedish securities market and market participants. The SFSA also issues regulations that supplement Swedish securities market laws. Furthermore, pursuant to the Swedish Securities Market Act, Nasdaq Stockholm is required to have rules of its own, governing the trading on Nasdaq Stockholm. The Rule Book for Issuers of Nasdaq Stockholm, based on European standards and EU directives such as MiFID and Directive 2004/109/EC (the "**Transparency Directive**"), sets forth listing requirements and disclosure rules for companies listed on Nasdaq Stockholm. The objective of the regulatory system governing trading on and off Nasdaq Stockholm is to achieve transparency and equality of treatment among market participants. Nasdaq Stockholm records information on the banks and brokers involved, the issuer, the number of shares, the price and the time of each transaction. Each bank or broker is required to maintain records indicating trades carried out as agent or as principal. All trading information reported in INET is publicly available. Nasdaq Stockholm also maintains a market supervision unit (the "**Trading Surveillance**") that monitors trading on a "real time" basis, as described below.

The Swedish Market Abuse Penal Act of 2005 (Sw. *lag (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument*) (the "**Market Abuse Act**"), implementing in part Directive (2003/6/EC) (the "**Market Abuse Directive**"), provides sanctions for insider trading and unlawful disclosure of insider information. The Market Abuse Act also contains provisions prohibiting market manipulation, making illegal any actions (in connection with trading on the securities market or otherwise) intended to unduly affect the market price or other conditions of trade in financial instruments, or otherwise mislead buyers or sellers of such instruments (e.g. by spreading false or misleading information). Market manipulation may also constitute fraud under Swedish law. The SFSA and the Trading Surveillance enforce compliance with the Market Abuse Act and other insider trading rules. Criminal offenses are enforced in court by the Swedish National Economic Crimes Bureau (Sw. *Ekobrottsmyndigheten*). Moreover, the SFSA may cause the operating license of a bank or broker to be revoked if the bank or broker has engaged in improper conduct, including market manipulation. The Trading Surveillance monitors trading data for indications of unusual market activity and trading behavior, and continuously examines information disseminated by listed companies, such as earnings reports, acquisition and other investment plans and changes in ownership structure on a daily basis. When the Trading Surveillance becomes aware of non-public price sensitive information, it monitors trading in the shares concerned to ensure that if unusual trading activity develops indicating that persons may be trading on that information, the information is made public as soon as possible.

Securities Registration

The shares are registered in the account-based electronic securities system operated by Euroclear Sweden, a central securities depository and clearing organization authorized under the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*) and the Swedish Securities Markets Act. Among other things, Euroclear Sweden maintains the register of shareholders in Swedish companies listed on Nasdaq Stockholm. Shares administered by Euroclear Sweden are registered in book-entry form on securities accounts (VP accounts) and no share certificates are issued. Title to the shares is ensured exclusively through registration with Euroclear Sweden. All transactions and other changes to accounts are entered in the system of Euroclear Sweden through banks or other securities institutions that have been approved as account operators by Euroclear Sweden.

The shares may be registered on VP accounts, and consequently entered in the register of shareholders, either in the name of the beneficial owner (owner registered shares) or in the name of a nominee authorized by Euroclear Sweden (nominee registered shares), in which case a note thereof is made in the securities system. The relationship between the nominee and the beneficial owner is governed by agreement. In order to exercise certain rights, such as participation at a general meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names. Nominees are also required to report the holdings of underlying beneficial owners to Euroclear Sweden on a regular basis. A public register of shareholders and a nominee list, both containing information on holders of more than 500 shares in the relevant company (or such lower number of shares that constitute all shares in the relevant company), is produced at the beginning of each quarter of the year and is available to the general public at both Euroclear Sweden and the issuer's registered office. There is also a separate register maintained by Euroclear Sweden for the recording of persons who have other interests in respect of shares, such as those of a pledgee.

The rights attaching to shares that are eligible for dividends, rights issues or bonus issues accrue to those holders whose names are recorded in the register of shareholders as of a particular record date, and the dividends are normally distributed to bank accounts as specified by the holders registered with Euroclear Sweden. The relevant record date must be specified in the resolution declaring a dividend or capital increase, or any similar matter in which shareholders have preferential rights. Where the registered holder is a nominee, the nominee receives, for the account of the beneficial owner, dividends and other financial rights attaching to the shares, such as subscription rights in conjunction with rights offerings, as well as new shares subscribed through the exercise of subscription rights. Dividends are remitted in a single payment to the nominee who is responsible for the distribution of such dividends to the beneficial owner. A similar procedure is applied for subscription rights and newly issued shares.

Compensation Scheme for Investors

Investor compensation covers financial instruments such as shares, bonds and various types of derivatives, for instance warrants and futures. Investor compensation is payable only if an institution is declared bankrupt and it is impossible for the investor to recover its securities or cash. The investor compensation does not cover financial loss due to changes in value of shares and other securities. Investor compensation covers securities handled by securities companies, securities brokers and some other institutions on behalf of customers in the course of providing investment services (such as the purchase, sale and deposition of financial instruments). For the purposes of the scheme, "securities" means shares, bonds and various types of derivatives. The scheme also covers funds that an institution receives in conjunction with providing an investment service for which it is accountable. Investors may be compensated for lost assets up to a value of SEK 250,000 per institution.

Transactions and Ownership Disclosure Requirements

Under the Trading Act, which implements the Transparency Directive in part, a shareholder is required to notify both the company in which it holds shares and the SFSA, when its holding (including options for shares) reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66 2/3 or 90% of the total number of votes and/or shares in a company. The notice is to be made in writing or electronically on the SFSA's website on the trading day immediately following the day of the applicable transaction. The SFSA will announce the contents of the notification no later than 12:00 CET on the trading day following the receipt of the notification. When calculating a shareholder's percentage of ownership, a company's treasury shares are to be included in the denominator, while warrants and convertibles are to be excluded. For the purposes of calculating a person's or entity's shareholding, not only the shares and financial instruments directly held by the shareholder are included, but also those held by related parties. The Trading Act contains a list of related parties whose shareholding must be aggregated for the purposes of the disclosure requirements. Related parties include, but are not limited to, subsidiaries, proxies, parties to shareholders' agreements and spouses/co-habitants.

Under the Regulation (EU) 236/2012 on short selling and certain aspects of credit default swaps, a person who has a net short position in a share is required to notify the SFSA when the position either reaches or falls below the following thresholds: 0.2% of the issued share capital of the company concerned and each 0.1% above that. There is also a requirement of public disclosure when the position reaches or falls below the following thresholds: 0.5% of the issued share capital of the company concerned and each 0.1% above that. The public disclosure is made by the SFSA via announcement on its website. Further, an investor who wishes to take an uncovered, or "naked", short position in a particular share will be required either: (a) to have borrowed sufficient shares to settle the short trade; (b) to have entered into a binding agreement to borrow the shares; or (c) to have an arrangement with a third-party under which that third-party has confirmed that the shares have been located and has taken measures vis-à-vis third parties necessary to have a reasonable expectation that settlement can be effected when it is due.

In addition, pursuant to the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (Sw. *lag (2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument*), among others, directors and certain officers of the issuer as well as individuals who own, directly or indirectly, shares representing 10% or more of the share capital or the voting rights in a publicly traded company must report, in writing or electronically, such ownership and any changes therein to the SFSA, which keeps a public register based on the information contained in such reports.

Mandatory Bids and Squeeze-out Proceedings

Pursuant to the Swedish Act on Public Takeovers on the Securities Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Takeover Act**"), any Swedish or foreign legal entity or natural person who holds less than 30% of the total voting rights in a company listed on a regulated market in Sweden, must make a public offer for the acquisition of all the remaining shares issued by the target company (a mandatory bid) should such legal entity or natural person alone, or together with a related party, obtain 30% or more of the total voting rights in the company. This applies where the increased holding is the result of a purchase, subscription, conversion, or any other form of acquisition of shares in the target company (other than a public offer) or the result of the establishment of certain close relationships. In this context, a related party can be an entity within the same corporate group as the buyer, a spouse, co-habitant or minor child, as well as any person or entity that cooperates with the buyer to obtain control over the company or with whom an agreement has been reached regarding the coordinated exercise of voting rights with the object of achieving a long-term controlling influence on the company's management.

The public offer shall be made within four weeks after the acquisition that triggered the mandatory bid requirement unless the acquirer (or the related party) reduces its level of voting share ownership within such time to below 30%. The offer is normally also made to holders of other securities issued by the target company, if the price of such securities could be substantially affected as a result of a de-listing of the target company's shares, such as, for example, warrants and convertibles. Under the Takeover Act, offerors have a duty to comply with the takeover rules adopted by Nasdaq Stockholm (the "**Takeover Rules**"). By making this undertaking, the offeror agrees to comply not only with the Takeover Rules, but also to comply with statements and rulings by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) on points of interpretation of the Takeover Act as well as to be subject to any sanctions that may be imposed by Nasdaq Stockholm. Exemptions from the mandatory bid requirement may under certain circumstances, for example in conjunction with rights offerings and underwriting guarantees, be granted by the Swedish Securities Council. The Swedish Securities Council may also grant exemptions from the provisions of the Takeover Rules.

Under the Swedish Companies Act, a shareholder with shares representing more than 90% of all shares in a company has the right to redeem remaining shares in such company. In respect of companies with shares traded on a regulated market, such as Nasdaq Stockholm, the redemption value shall correspond to the market value, unless special reasons (such as following a takeover bid) require otherwise. In addition, any minority shareholder that possesses shares that may, pursuant to the Swedish Companies Act, be redeemed by a majority shareholder is entitled to require such majority shareholder to redeem its shares.

DOCUMENTS INCORPORATED BY REFERENCE

The information below is incorporated through reference and constitutes a part of the Prospectus. Parts of the documents mentioned below that are not incorporated by reference do not constitute part of the Prospectus.

Information	Document and pages	
Kamila Holding AB's consolidated financial information with pertaining notes and audit report for the year ended December 31, 2012.	Kamila Holding AB's annual report for the financial year ended December 31, 2012.	
	Consolidated profit and loss statement:	5
	Consolidated balance sheet:	6
	Consolidated statement of changes in equity:	7
	Consolidated cash flow statement:	8
	Notes to the consolidated financial statements:	9-33
	Independent auditor's report:	34

The above mentioned annual report for Kamila Holding AB for the year ended December 31, 2012 has been audited by Deloitte AB with authorized auditor Henrik Nilsson as auditor in charge. The relevant auditor's report contains no observations. The document incorporated through reference are available throughout the period of validity of the Prospectus from Alimak Group AB (publ) on its website, www.alimakgroup.com

DEFINITIONS AND GLOSSARY

The following terms used in the Prospectus have the meanings assigned to them below (unless the context requires otherwise):

Definitions Relating to the Offering

"**Additional Shares**"	A total of up to 3,930,000 additional shares in the Company that may be offered in the Offering by the Principal Owners at their sole discretion.
"**Alimak Group**" ",**Alimak Group AB**", **the** "**Company**"	Alimak Group AB (publ), company registration number 556714-1857.
"**Articles of Association**"	The articles of association of the Company.
"**AUD**"	The lawful currency of Australia.
"**Board**" and "**Board of Directors**"	The board of directors of the Company.
"**CAGR**"	The compound annual growth rate over a given period.
"**Cardo Partners estimates, 2015**"	Market report prepared by the independent management consultancy firm Cardo Partners AS in 2015.
"**Carnegie**"	Carnegie Investment Bank AB (publ).
"**CERCLA**"	The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.
"**Citi**"	Citigroup Global Markets Limited.
"**CNY**"	The lawful currency of the People's Republic of China.
"**Code**"	The Swedish Corporate Governance Code.
"**Companies Act**" and "**Swedish Companies Act**"	The Swedish Companies Act of 2005 (*aktiebolagslag 2005:551*).
"**Cornerstone Investors**"	Peter Pråhl, Lannebo Fonder AB and Swedbank Robur Fonder AB.
"**EBITDA**"	Operating profit/(loss) (EBIT) for the period before depreciation and amortization.
"**ECHA**"	The European Chemicals Agency.
"**EEA**"	European Economic Area.
"**EFTA**"	European Free Trade Association.
"**EIU**"	Economist Intelligence Unit.
"**EPC**"	Engineering, procurement and construction.
"**EU**"	The European Union.
"**EUR**"	Single currency of the Member States of the European Union participating in the European and Monetary Union of the European Union.

"**Euroclear Sweden**" .... Euroclear Sweden AB, the Swedish central securities depository and clearing organization.

"**Existing Shares**" .... A total of up to 19,800,000 existing shares in the Company being offered by the Principal Owners and certain shareholder employees of the Company.

"FCPA" .... The U.S. Foreign Corrupt Practices Act, as amended.

"**GBP**" .... The lawful currency of the United Kingdom.

"**GDP**" .... Gross domestic product.

"**Group**" .... The Company and its subsidiaries.

"**Group Management**" or "**Management**" .... The management of the Group.

"**Heis-Tek**" .... Heis-Tek Onarheim and Heis-Tek Bergen.

"**Heis-Tek Onarheim**" .... Heis-Tek AS.

"**Heis-Tek Bergen**" .... Heis-TEK Bergen AS.

"**HSE**" .... Health, safety and environmental

"**IAS**" .... International Accounting Standard.

"**IAS 19**" .... International Accounting Standard 19 "Employee Benefits".

"**IAS 34**" .... International Accounting Standard 34 "Interim Financial Reporting".

"**IFRS**" .... International Financial Reporting Standards, as adopted by the EU.

"**ISO**" .... International Organization for Standardization.

"**Joint Bookrunner**" or "**Joint Bookrunners**" .... Citigroup Global Markets Limited, Skandinaviska Enskilda Banken AB (publ) and Carnegie Investment Bank AB (publ)

"**Joint Global Coordinators**" ...... Citigroup Global Markets Limited and Skandinaviska Enskilda Banken AB (publ).

"**Lock-up period**" .... The lock-up period described under "*Share capital and ownership structure – Lock-up Arrangements*".

"**Managers**" .... Citigroup Global Markets Limited, Skandinaviska Enskilda Banken AB (publ) and Carnegie Investment Bank AB (publ).

"**Market Abuse Act**" .... The Swedish Market Abuse Penal Act of 2005 (*lag (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument*).

"**Member States**" .... The member states of the European Union.

"**MiFID**" .... Directive 2004/39/EC on Markets in Financial Instruments.

"**MSA**" .... Master service agreement.

“**Nasdaq Stockholm**”	The Swedish regulated market Nasdaq Stockholm, or its market operator NASDAQ OMX Stockholm AB, as the context requires.
“**NOK**”	The lawful currency of the Kingdom of Norway.
“**Offer Price**”	The final offer price for the Offer Shares, which will be determined following a book-building process.
“**Offer Price Range**”	The indicative range of SEK 80-95 per Offer Share.
“**Offer Shares**”	The Existing Shares, the Optional Shares and the Additional Shares.
“**Offering**”	The offering of shares in Alimak Group AB (publ) consisting of: (i) a public offering to investors in Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States solely to qualified institutional buyers (“QIBs”) in reliance on Rule 144A (“Rule 144A”) under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”).
“**Optional Shares**”	Up to a number of additional shares of the Company sold pursuant to the over-allotment by the Stabilizing Manager, equaling up to approximately 15% of the aggregate number of Existing Shares and Additional Shares offered by the Principal Owners of the Offering.
“**Over-allotment Option**”	Option to be granted by the Principal Owners to the Stabilizing Manager, on behalf of the Managers, to purchase up to a number of Optional Shares, equal to up 15% of the aggregate number of Existing Shares and Additional Shares, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Company’s shares commences on the Nasdaq Stockholm, expected to be on or about June 17, 2015, to cover any over-allotments made in connection with the Offering.
“**PFIC**”	Passive foreign investment company.
“**PD Amending Directive**”	Directive 2010/73/EU of the European Parliament and of the Council.
“**Placing Agreement**”	Agreement between the Principal Owners, the Company, certain shareholder employees of the Company and the Managers regarding placing of shares of Alimak Group AB(publ) expected to be entered into on or about June 16, 2015.
“**Principal Owners**”	Triton, or its indirect subsidiary Apolus Holding AB, the largest shareholder in Alimak Group AB, as the context may require.
“**Prior Senior Facility**”	The former senior facility of with Svenska Handelsbanken AB (publ).
“**Prospectus Directive**”	Directive 2003/71/EC of the European Parliament and of the Council.
“**QIBs**”	Qualified institutional buyers, as defined in the U.S. Securities Act of 1933.

“**REACH**”	Regulation (EC) 1907/2006/EC on the Registration, Evaluation, Authorization and Restriction of Chemicals.
“**Regulation S**”	Regulation S under the U.S. Securities Act of 1933.
“**Rule 144A**”	Rule 144A under the U.S. Securities Act of 1933.
“**SEB**”	Skandinaviska Enskilda Banken AB (publ).
“**Securities Market Act**”	Swedish Securities Market Act of 2007 (*lag (2007:528) om värdepappersmarknaden*).
“**SEK**”	Swedish krona, the lawful currency of the Kingdom of Sweden.
“**Senior Executives**”	The senior executives of the Group.
“**SFSA**”	The Swedish Financial Supervisory Authority (*Finansinspektionen*).
“**Selling Shareholders**”	All shareholders of the Company who will offer to sell shares in the Offering.
“**Senior Facility Agreement**”	Revolving loan facility agreement between the Company, among others, as borrower and guarantor, and Svenska Handelsbanken AB (publ) as lenders, to be entered onto concurrently with the Offering, that provides for a SEK 1,250 million multicurrency revolving credit facility.
“**Stabilizing Manager**”	SEB.
“**Takeover Act**”	Swedish Act on Public Takeovers on the Securities Market (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*).
“**Trading Act**”	The Swedish Financial Instruments Trading Act of 1991 (*lag (1991:980) om handel med finansiella instrument*).
“**Treaty**”	Convention Between the Government of Sweden and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.
“Triton”	Triton Fund II L.P., Triton Fund II No.2 L.P., TWO Triton Fund (Executives) L.P. TWO Triton Fund F&F No.2 L.P. and TK II Co-Invest S.a.r.l, each acting by its general partner Triton Managers II Limited and TWO Triton Fund F&F L.P., acting by its general partner TFF Limited.
“**U.S. dollar**” or “**USD**”	United States dollars, the lawful currency of the United States of America.
“**U.S. Exchange Act**”	The U.S. Securities Exchange Act of 1934, as amended.
“**U.S. Securities Act**”	The U.S. Securities Act of 1933, as amended.

FINANCIAL STATEMENTS

Audited consolidated financial statements of the Company as of and for the years ended December 31, 2014 and 2013 (including unaudited consolidated financial statements of the Company as of and for the year ended December 31, 2012)

INCOME STATEMENT, GROUP

Amounts in tSEK	Note	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Income	3	1 742 476	1 517 145	1 498 327
Cost of goods sold		-1 000 656	-858 885	-871 942
Gross profit/loss		741 820	658 260	626 385
Selling expenses		-235 082	-199 373	-195 868
Administrative expenses		-184 334	-152 008	-255 824
Development costs		-34 748	-39 619	-37 254
Operating profit/loss	4.5.6.7	287 656	267 260	137 439
Profit/loss from financial investments				
Financial income	8	28 688	15 929	6 161
Financial expenses	9	-224 619	-164 255	-178 399
Profit/loss after financial net		91 725	118 934	-34 799
Profit/loss before tax		91 725	118 934	-34 799
Tax	10	-45 226	-39 906	75 399
Profit/loss for the year		46 499	79 028	40 600
The profit/loss for the year attributable to shareholders in the parent company		46 499	79 028	40 600
Number of shares issued		1,000,000 at SEK 0.1 each	1,000,000 at SEK 0.1 each	1,000,000 at SEK 0.1 each

STATEMENT OF COMPREHENSIVE INCOME, GROUP

Amounts in tSEK	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Profit/loss for the year	**46 499**	**79 028**	**40 600**
Other comprehensive income			
Items to be restored to the result			
Currency translation difference during the year	164 432	-28 948	-49 669
Hedging reserve			
Adjusting the initially reported amount of hedged items in the balance sheet	-29 617	24 471	-16 204
Tax relating to cash flow hedges	6 516	-5 384	3 565
Hedges of net investments in foreign operations	4 642	-4 642	—
Tax effect on hedging	-1 021	1 021	—
Total	3 621	-3 621	—
Items to be restored to the profit/loss	*144 952*	*-13 482*	*-62 308*
Items not to be restored to the result			
Pensions	-864	-8 528	-7 256
Tax on pensions	190	1 876	1 610
Total	*-674*	*-6 652*	*-5 646*
Total other comprehensive income for the year, net after tax	144 278	-20 134	-67 954
Total comprehensive income for the year	**190 777**	**58 894**	**-27 354**
This year's comprehensive income for the period attributable to shareholders in the parent company	190 777	58 894	-27 354

BALANCE SHEET, GROUP

Amounts in tSEK	Note	2014-12-31	2013-12-31	2012-12-31	2012-01-01
ASSETS					
Fixed assets					
Intangible assets					
Capitalised expenditure for development and similar, and trademarks	11	1 253	2 026	3 168	10 728
Goodwill	12	1 702 404	1 552 580	1 560 080	1 593 701
		1 703 657	1 554 606	1 563 248	1 604 429
Tangible assets					
Land and buildings	13	44 005	45 693	46 298	67 144
Plant and machinery	13	61 271	47 813	45 174	60 827
Equipment, tools, fixtures and fittings	13	29 996	18 481	18 117	18 587
Equipment for lease	13	141 289	148 766	170 415	296 549
		276 561	260 753	280 004	443 107
Other assets					
Deferred tax receivable	19	96 043	90 649	126 794	20 773
Other long-term receivables		8 107	3 107	8 255	165
		104 150	93 756	135 049	20 938
Total assets		2 084 368	1 909 115	1 978 301	2 068 474
Current assets					
Stock, etc.					
Raw materials and consumables		106 326	101 818	107 078	103 988
Products in progress		83 807	74 695	58 767	53 371
Finished products and goods for resale		122 904	75 142	81 515	64 431
		313 037	251 655	247 360	221 790
Current receivables					
Accounts receivable – trade	15	337 836	284 365	243 024	198 766
Tax receivables		7 699	1 503	2 010	3 082
Derivatives	17	—	6 232	26 029	8 245
Other receivables		85 724	77 159	41 010	62 374
Prepaid expenses and accrued income	16	40 626	13 867	15 985	5 175
		471 885	383 126	328 058	277 642
Cash and bank		384 680	189 931	192 627	159 362
Total current assets		1 169 602	824 712	768 045	658 794
TOTAL ASSETS		3 253 970	2 733 827	2 746 346	2 727 268

Balance sheet, Group

Amounts in tSEK	Note	2014-12-31	2013-12-31	2012-12-31	2012-01-01
EQUITY AND LIABILITIES					
Equity					
Share capital		100	100	100	100
Other capital contributed		1 215 233	1 215 233	1 215 233	315 233
Reserves		22 718	-122 234	-87 746	-25 438
Profit brought forward and net profit/loss for the year		-373 843	-419 668	-513 050	-548 004
Total equity		864 208	673 431	614 537	-258 109
Long-term liabilities					
Long-term borrowings	17	692 169	699 360	802 639	814 987
Liabilities to group companies	17	918 809	835 281	759 347	1 558 716
Other long-term liabilities	17	516	11 374	2 684	4 472
Provisions for pensions	20	64 465	57 130	51 197	39 199
Other provisions	21	47 049	22 630	23 035	24 067
Deferred tax liability	19	37 835	5 229	33 478	39 563
		1 760 843	1 631 004	1 672 380	2 481 004
Current liabilities					
Short-term borrowings	17	227 775	128 749	103 073	182 178
Bank overdraft facilities	23	20 756	44 728	42 883	77 407
Advance payments from customers		32 542	28 549	25 080	14 423
Accounts payable – trade		160 306	105 899	136 044	137 740
Tax liabilities		6 101	13 625	39 765	11 067
Derivatives	17	29 617	10 769	7 523	—
Other liabilities		61 563	32 829	42 189	19 190
Accrued expenses and deferred revenue	24	90 259	64 244	62 872	62 368
		628 919	429 392	459 429	504 373
TOTAL EQUITY AND LIABILITIES		3 253 970	2 733 827	2 746 346	2 727 268

For details of the group's pledged assets and any contingent liabilities, see note 22.

SUMMARY OF THE CHANGE IN GROUP EQUITY

Amounts in tSEK	Share equity	Other capital equity	Translation for foreign operations	Cash Flow hedge	Profit brought forward and net profit/loss for the year	**Total equity equity**
Closing balance 31 December 2011	100	315 233	-18 990	-6 448	-540 288	-250 393
Effect of change in pension debt					-7 716	-7 716
Adjustment of opening balance	100	315 233	-18 990	-6 448	-548 004	-258 109
Profit/loss for the year					40 600	40 600
Hedging reserve						
Changes in actual value				-16 204		-16 204
Released to profit/loss statement						—
Tax relating to cash flow hedges				3 565		3 565
Currency translation difference during the year			-49 669			-49 669
Revaluation of pension plans					-5 646	-5 646
Total comprehensive income for the year	—	—	-49 669	-12 639	34 954	-27 354
Shareholders' contribution		900 000				900 000
Closing balance 31 December 2012	**100**	**1 215 233**	**-68 659**	**-19 087**	**-513 050**	**614 537**

Amounts in tSEK	Share equity	Other capital capital	Translation for foreign operations	Cash Flow hedge	Profit brought forward and net profit/loss for the year	**Total equity equity**
Opening balance 1 January 2013	100	1 215 233	-68 659	-19 087	-513 050	614 537
Profit/loss for the year					79 028	79 028
Hedging reserve						
Changes in actual value						—
Released to profit/loss statement				24 471		24 471
Tax relating to cash flow hedges				-5 384		-5 384
Currency translation difference during the year			-28 948			-28 948
Hedging of net investments in foreign operations			-4 642			-4 642
Tax effect on hedging			1 021			1 021
Revaluation of pension plans					-6 652	-6 652
Reclassifications			-21 006		21 006	—
Total comprehensive income for the year	—	—	-53 575	19 087	93 382	58 894
Closing balance 31 December 2013	**100**	**1 215 233**	**-122 234**	**—**	**-419 668**	**673 431**

Amounts in tSEK	Share equity	Other capital equity	Translation for foreign operations	Cash Flow hedge	Profit brought forward and net profit/loss for the year	**Total equity equity**
Opening balance 1 January 2014	100	1 215 233	-122 234	—	-419 668	673 431
Profit/loss for the year					46 499	46 499
Hedging reserve						
Changes in actual value				-28 795		-28 795
Released to profit/loss statement				-822		-822
Tax relating to cash flow hedges				6 516		6 516
Currency difference			164 432			164 432
Hedging of net investments in foreign operations			4 642			4 642
Tax effect on hedging			-1 021			-1 021
Revaluation of pension plans					-674	-674
Total comprehensive income for the year	—	—	168 053	-23 101	45 825	190 777
Closing balance 31 December 2014	**100**	**1 215 233**	**45 819**	**-23 101**	**-373 843**	**864 208**

CASH FLOW STATEMENT, GROUP

Amounts in tSEK	Note	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Operating activities				
Profit/loss before tax		91 725	118 934	-34 799
Adjustments for non-cash items				
Depreciation	7	48 597	49 616	156 066
Disposals		3 177	—	—
Unrealised foreign exchange differences		73 516	-1 672	-1 796
Profit for the year from sale of fixed assets		-34	-1 931	3 229
Capitalised interest on borrowings		83 528	75 935	100 631
Change in distribution of loan costs		4 225	—	—
Change in value of derivatives		—	-15 019	-12 639
Change in provisions for pensions		3 589	—	8 025
Change in other provisions		20 994	-405	-390
Other non-cash items			-6 202	4 435
		329 317	219 256	222 762
Income tax paid		-32 341	-38 027	-12 531
Cash flow from operating activities before to working capital changes		296 976	181 229	210 231
Cash flow from working capital changes				
Change in inventories		-25 081	-4 295	-35 568
Change in operating receivables		-39 800	-46 271	-50 991
Change in operating liabilities		77 444	-22 945	15 582
Cash flow from current activities		309 539	107 718	139 254
Investment activities				
Acquisition of operations		-58 581	—	-1 171
Acquisition of intangible fixed assets	11	-830	-263	-1 839
Acquisition of tangible assets	13	-65 950	-38 279	-48 335
Disposal of tangible assets		7 521	3 223	48 240
Acquisition of financial assets		-3 954	—	—
Disposal of/reduction in financial assets		606	3 324	11 526
Cash flow from investment activities		-121 188	-31 995	8 421
Finance activities				
Loans raised		94 097	195 845	12 400
Repayment of loans		-112 280	-269 137	-121 387
Cash flow from finance activities		-18 183	-73 292	-108 987
Cash flow for the year		170 168	2 431	38 688
Cash at the beginning of the year		189 931	192 627	159 362
Exchange differences in cash		24 581	-5 127	-5 423
Cash at the end of the year		384 680	189 931	192 627

Supplementary disclosures to the cash flow statement

Amounts in tSEK	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest paid			
Interest received	7 135	5 492	6 211
Interest paid	-49 395	-48 658	-60 175
Cash and bank			
The following sub-components are included in liquid assets:			
Cash and bank balances	384 680	189 931	192 627
	384 680	189 931	192 627

The above items are classified as liquid assets on the basis that:

- They have an insignificant risk of value fluctuation.
- They can be easily converted to cash.
- They have a maximum maturity of 3 months or less from acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amounts in tSEK unless otherwise indicated

1. Accounting policies

Company information

Alimak Group AB, corp. ID no. 556714-1857 carries on business in the legal form of a limited company and its registered office is in Stockholm, Sweden.

The registered office address is Brunkebergstorg 5, 3 tr, 111 51 Stockholm.

The consolidated accounts for Alimak Group AB for the financial year 2014 was approved by the board for publishing on 17 April 2015.

The consolidated accounts will be finally adopted by the annual general meeting of the parent company on 17 April 2015.

The financial statements are prepared on the basis of historical acquisition cost. Financial assets and liabilities are recognized at accrued acquisition value, except for certain financial assets and liabilities which are valued at their actual value.

Financial assets and liabilities measured at fair value consist entirely of derivatives instruments.

The parent company's functional currency is Swedish kronor, which is also the reporting currency for the parent company and the group. There means that the financial reports are presented in Swedish kronor.

Basis for the preparation of the financial statements

In 2014, the company has for the first time prepared consolidated accounts. The consolidated accounts have been drawn up in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups of the Swedish Financial Accounting Standards Council, International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU.

The consolidated accounts have been drafted in accordance with IFRS 1 and the company has chosen to apply the exemption of not converting its assets and liabilities but to report these at the values included in the parent company's consolidated accounts. These are based on the parent company's transfer date to IFRS unless adjustments have been made for reasons of consolidation and due to the operational acquisition through which the parent company acquired the subsidiary.

The parent company's annual financial statements are prepared in accordance with the Swedish Annual Accounts Actand the Swedish Financial Reporting Council's recommendation RFR 2 Reporting for legal persons as well as statements by the Swedish Financial Reporting Council.

The following accounting policies have been, unless otherwise stated, applied consistently in all periods presented in the group's financial reports.

New standards and interpretations

The following new and amended standards and interpretations have come into force and apply for the 2014 financial year:

Standards effective as of 1 January, 2014 according to the EU

IFRS 10 Consolidated Accounts (the introduction of a single consolidation model based on control regardless of whether subsidiaries are controlled through the owner's voting rights or other contractual arrangements). This new model has not given rise to any changes in the classification of subsidiaries.

IFRS 12 Information on shares in other companies (information on group composition and the limitations in terms of consolidated assets and liabilities). This new standard has not affected the financial reports.

Changes to IAS 39, Financial Instruments (reporting and valuation regarding novation of derivatives, the introduction of a relief rule for hedge accounting). The group currently does not have this type of derivative and this has therefore not affected the financial reports.

No other new and amended standards and interpretations have any substantial impact on the group's financial reports in 2014.

The International Accounting Standards Board (IASB) has published the following new and amended standards which are yet to come into force:

Standards effective after 1 January, 2014 according to the EU

On 1 January 2018, IFRS 9 Financial Instruments will come into force and will then replace IAS 39 Financial Instruments. In the coming year, the group will commence the work in evaluating how IFRS 9 will impact the group's financial reports.

On 1 January 2017, IFRS 15 Revenue from Contracts with Customers will enter into force and will then replace all previously issued standards and interpretations dealing with revenue from contracts with customers (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the construction of real estate, IFRIC 18 Transfer of Assets from Customers and SIC 13 Revenue – Barter Transactions Involving Advertising. Thus, IFRS 15 contains a comprehensive model for all revenue recognition. The EU has not yet adopted this standard.

In the coming year, the group will commence the work in evaluating how IFRS 15 will impact the group's financial reports.

IFRIC 21 – Levies. The interpretation clarifies when to report a liability for "levies". "Levies" are fees/taxes with state or similar bodies charge to business in accordance with laws/regulations with the exception of income tax, sanctions and fines.

The interpretation states that a liability shall be reported when the company has an obligation to pay the fee due to an event which has occurred. If the event giving rise to the obligation is ongoing, then the liability is reported gradually. If a certain minimum level must be reached for the obligation to arise, then the liability must only be reported once this level has been reached. The interpretation, which will be applied from 2015 will only have a marginal impact on the group's financial reports.

Other news adopted by IASB as of 31 December 2014 are not considered to have any impact on the group's financial reports.

IFRS Interpretations Committee has not published any new or revised interpretations whose entry into force has been assessed to impact the company.

The new and amended standards and interpretations that have not come into force have not yet been applied.

Estimates

In order to prepare the consolidated financial statements in accordance with IFRS, certain accounting estimations have to be done. The board also makes its own assessment when applying the group's accounting policies. Those areas where estimates and assessments are significant for the group are listed under "Important estimates and assessments for accounting purposes".

Basis for the drawing up of the reports

The financial reports are presented in thousands of Swedish kronor (tSEK). They have been drawn up using the cost value method except for certain financial assets and liabilities which are valued at their actual value. Economic information with associated notes in the balance sheet, other comprehensive income, cash flow statement and the income statement, group are presented along with a comparison year.

Consolidated financial statements

The consolidated annual financial statements include Alimak Group AB and all its subsidiaries.

Subsidiaries are companies in which the parent company directly or indirectly owns more than 50% of the voting rights or otherwise has a controlling influence on the operational and financial management. Subsidiaries are reported in accordance with the acquisition method. The acquisition value for an acquisition is the actual value at the time of acquisition of assets which are provided as payment and accrued or liabilities taken over, acquisition costs are not included in the acquisition value. An acquisition analysis is prepared when control is obtained. Acquired identifiable assets, liabilities and contingent liabilities are valued at their actual value. The difference between the sum of the purchase sum, the value of the minority and the actual value of previous holdings and the actual value of acquired identifiable assets, liabilities and contingent liabilities is classified as goodwill. If there is a negative difference, the difference is reported immediately in the profit-and-loss statement.

Any minority holdings are either reported as a proportional share of the acquired net assets or at their real value which is assessed for each acquisition. Additional purchase sums are initially reported at their actual value with subsequent changes reported in the profit-and-loss statement. In the case of gradual acquisition, the acquisition analysis is prepared at the time control is obtained. The effect of the reassessment of previously owned shares is reported in the income statement. For acquisitions or divestment of minority holdings, i.e. when the subsidiary is still controlled, this is reported as changes within equity.

The consolidated profit/loss includes the parent company profit-and-loss statement and its directly or indirectly owned subsidiaries or elimination of group-internal transactions, unrealised consolidated profits and impairments of acquired surplus values. From the point of acquisition until the point when the controlling influence ceases, the acquired company’s revenue and costs, identifiable assets and liabilities and any goodwill arisen are included in the consolidated accounts.

Operational acquisitions

For the acquisition of a company, the acquisition cost for the acquisition (purchase sum) is calculated as the actual value of the assets which have been transferred and the liabilities which have occurred or are taken over on the day of the acquisition, including the actual value of any additional purchase sum. Transaction costs relating to the acquisition are carried as an expense as incurred. The acquisition cost is allocated to acquired assets, liabilities and contingent liabilities based on the valuations at actual value and includes assets and liabilities which have not been reported in the acquired company’s balance sheet, for example intangible assets such as customer relations and trademarks. Goodwill occurs when the purchase sum exceeds the actual value of the acquired net assets. The final amount are set no later than one year after the day of transaction.

Transactions with associates

All transactions with associates are done at market prices.

Segment reporting

The group has four operational segments. The segments are identified based on the group’s four main business sectors.

The segments are regularly followed up by the CEO. The group considers its CEO to be the top executive decision-maker. The segments are responsible for the operating profit/loss in their operations whereas financial net, taxes and the balance sheet are not reported by segment. The operating profit/loss for the segments are consolidated in accordance with the same principles as for the group as a whole. The segments are made up of separate business areas within companies.

Translation of foreign currencies

The consolidated financial statements are prepared in Swedish kronor, which is the parent company’s functional currency and the group’s reporting currency.

The balance sheets for foreign subsidiaries have been translated to Swedish kronor at the exchange closing day rate The profit-and-loss statement has been translated at the average rate for the year. Exchange rate differences which occur during the translation of foreign subsidiaries are reported in other comprehensive income and are accumulated in the conversion reserve in own equity.

Transactions in foreign currencies are translated to the functional currency using the exchange rate on the transaction date. Monetary assets and liabilities which are stated in a foreign currency are translated into the functional currency at the closing day rate. Such exchange rate differences are reported in the income statement.

Non-monetary assets and liabilities which are reported at their historical acquisition value are translated using the exchange rate applicable at the time of the transaction.

Cash Flow Statement

The cash flow statement has been drawn up using the indirect method. Cash flows within foreign subsidiaries are translated using an average exchange rate for the period. Any acquisitions and/or sales of subsidiaries are included, net after acquired/sold liquid funds, under the cash flow from investment activities. Liquid funds are cash funds and bank funds.

Revenue recognition

Revenue recognition is done when it is probable that the future economic benefits will be realised by the group and these benefits can be calculated reliably. The revenue includes only the gross inflows from economic benefits which the company receives or can receive for its own account. Any income from the sale of goods is recognised as revenue when the group has transferred the essential risks and benefits associated with the ownership of the products to the customer and when the company does not retain any involvement in the ongoing administration which is generally associated with ownership and the group exercises no control or no real control over the products sold.

Revenue for services is recognised in the period that the work was carried out in and rental revenue is recognised in accordance with the contractual revenue periods. Revenue from operational leasing is recognised as revenue over the term based on use which may differ from what has de facto been received as a leasing fee for the year. The income is reported at the actual value of what has been received or will be received with deductions for discounts granted.

Intangible assets

Capitalised expenditure for development and similar

Only those expenses which are directly attributable to the development of new products are capitalised. Expenses linked to the development phase are reported as an intangible assets from the point when the expenses are likely to give rise to future economic benefits, which means the point in time when the company management considers that it is technically possible to complete the intangible asset, the company intends to and has the ability to complete it and use it or sell it, there are sufficient resources to complete the development and sale and that remaining expenses can be reliably calculated.

Capitalised development expenses are depreciated over the useful life which is assessed as being five years. If there are research expenses then these are carried as expenses directly. Trademarks are reported as intangible assets at their acquisition value after deductions for accrued depreciations and any write-downs. The costs for the renewal of trademarks are carried as an expense as incurred.

Depreciations are applied in a straight line over the asset’s useful life and reported as a cost in the profit-and-loss statement. Computer programs are reported at their acquisition value and include immediately assignable expenses for completing availability for its intended use. The acquisition value is depreciated over the calculated period of use. Expenses for the maintenance of computer programs are carried as an expense as incurred.

The following depreciation periods have been applied:

Capitalised expenditure for development and similar	5 år

Goodwill

Group goodwill is the difference between the total purchase price, the value of minorities and the actual value of previous holdings and the actual value of acquired identifiable assets, liabilities and contingent liabilities reported as goodwill. If there is a negative difference, the difference is reported directly in the income statement.

Goodwill is reported at the acquisition value with deductions for any write-downs. Goodwill is continuously followed up and is tested annually, or more often if needed given the need for write-downs. Goodwill is divided over the cash-generating units which are expected to use the acquisition.

Impairment losses

Assets with a undefinable period of use that are not ready for use, are not depreciated but are tested annually in terms of any need for depreciation. If there are any indications that an asset may have been impaired, the group set the recovery value of the asset, As recovery value is to be understood the greatest of an asset's actual value with deductions for sales costs and its utility value. The asset is depreciated by the amount which with the asset's reported value exceeds the recovery value.

Tangible assets

Tangible assets refer primarily to machinery, Equipment for lease and other equipment.

Tangible assets are reported at their acquisition value after deductions for depreciations and any write-downs. The acquisition value includes the purchase price and directly attributable costs. Future expenses are reported as a separate asset. Depreciations are applied in a straight line over the asset's useful life and reported as a cost in the profit-and-loss statement.

The following depreciation periods have been applied:

Buildings	25-50 years
Equipment for lease	8-12 years
Plant and machinery	5-10 years
Equipment, tools and fixtures and fittings	3-10 years

Impairment losses

The recognised values are tested on each balance sheet day to ascertain whether there is a write-down requirement. If there is any indication for a need for write-downs, the asset's recovery value is calculated. The recovery value is the greater of the actual value less sales costs and utility value. Any write-down is reported when the recognised value of an asset or a cash-generating unit (a group of units) recognised value exceeds its recoverable value.

Financial instruments

Financial instruments are valued and recognised in consolidated accounts in accordance with the rules in IAS 39. Financial instruments are initially recognised at their acquisition value corresponding to the instruments actual value with additions for transactional costs except for financial instruments which belong to the category financial asset or liability recognised at its actual value on the profit-and-loss statement. Recognition then takes place depending on how the financial instrument has been classified in accordance with below.

For derivative instruments and the purchase and sale of money market and capital market instruments on the Avista market, business day recognition is applied. Other financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual conditions of the instrument.

Accounts receivable are entered in the balance sheet when invoices have been issued. A liability is recognised when the counterpart has performed the service and there are contractual liabilities to pay, even if invoices have not yet been received.

Accounts payable – trade are entered when the invoices are received. A financial liability is removed from the balance sheet when the entitlements in the agreement have been realised, fall due or the company loses control over them. The same applies for parts of a financial liability. A financial liability is removed from the balance sheet when the obligation under the agreement is fulfilled or is otherwise cancelled. The same applies for parts of a financial liability.

Financial instruments are reported at the accrued acquisition value or actual value depending on the initial categorisation under IAS 39.

Cash flow hedging

Cash flow hedging is done when currency forwards are used for the hedging of currency risk for future purchases and sales in foreign currency.

For derivative instruments which constitute hedging instruments in cash flow hedging it applies that the effective part of the change in value is reported under other comprehensive income while the ineffective part is reported immediately in the profit-and-loss statement. The share of the change in value which is reported under other comprehensive income is then carried over to the balance sheet for the period when the hedged item affects the profit-and-loss statement.

If the requirements for hedge accounting are no longer fulfilled, the accrued value variations reported under other comprehensive income are then carried over to the balance sheet for the period when the hedged item affects the profit-and-loss statement. Value changes from and including the day when the requirements for hedge accounting cease are reported immediately in the profit-and-loss statement. If the hedged transaction no longer is expected to occur, the accrued value changes of the hedging instrument are immediately transferred from other comprehensive income to the income statement.

Derivative instruments and cash flow hedging

Derivative instruments comprise currency forward agreements and interest agreements which are used to cover the risks of changes in exchange and interest rates. Currency exposure regarding future forecast flows are hedged mainly using currency forwards.

The effective part of the change of the actual value which is identified and qualifies as cash flow hedging is reported in other comprehensive income. The profit or loss attributed to the inefficient part is immediately reported in the the income statement. Accrued amounts in equity are carried over to the profit-and-loss statement for the same periods as the hedged item impacts the profit/loss.

When a future transaction is no longer expected to occur, the accumulated profit or loss that exists in equity is reported immediately in the profit-and-loss statement. Hedging of actual values is reported in the income statement together with any changes in the reported value of the hedged asset or liability which is assignable to the hedged risk.

If hedging no longer fulfils the criteria for hedging accounting, the reported amount is adjusted for the hedged item, for which the effective interest rate method is used, and allocated to the result over the remaining period. Value changes to derivatives which do not fulfil the criteria for hedge accounting are reported immediately in the profit-and-loss statement.

Hedges of net investments in foreign operations

For derivative instruments in foreign currency as a hedging instrument in a hedge of net investments in foreign operations, it applies that the effective part of the value change is reported in other comprehensive income whereas the inefficient part is reported immediately in the income statement. The value changes reported in other comprehensive income is carried over to the profit-and-loss statement at a later point when the foreign operations are divested. Hedging of net investments is applied when the currency futures in foreign currencies are used to hedge the currency risk of the company's investments in foreign subsidiaries.

Calculation of the actual value of financial instruments

When determining the actual value of short-term investments, derivative instruments and borrowing, official market listings on the balance sheet day are used. In the event that there are none, a valuation is made using generally accepted methods such as the discounting of future cash flows at a listed market rate for each term. The translation to Swedish kronor is carried out using the listed rate on the balance sheet day.

Accrued acquisition value

The accrued acquisition value is calculated using the effective rate method, which means that any premium or discount and directly attributable costs or revenue are periodised over the contract term using the calculated effective interest. The effective interest is the interest that provides instrument's acquisition value as its result for current value calculations of future cash flows.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported at net value in the balance sheet when there is a legal right to offset and when there is an intention to adjust the items with a net amount or realise the asset and settle the liability simultaneously.

Cash and bank

Cash and bank comprise cash in financial institutions and short-term liquid investments with a term from the point of acquisition of less than three months which are only exposed to an insignificant risk for value fluctuations. Cash and bank are reported at their nominal amounts.

Financial investments

Financial investments are comprised of either financial fixed assets or short-term investments depending on the intention of the holding. If the term or the expected period of holding is more than one year, they are financial fixed assets and if it is less than one year, they are classified as short-term investments.

Accounts receivable – trade

Accounts receivable are categorised as "loan receivables and accounts receivables" and are reported at the accrued acquisition value. The expected term of accounts receivable is short, which is why the value is reported at its nominal value without discounts. Uncertain accounts receivables are assessed individually and according to their maturity structure, as there might be indications for a need to write down an account receivable when a customer fails to pay or pays late. Any write-downs are reported in the operating expenses.

Long-term receivables and other receivables

Long-term receivables and other receivables are receivables which occur when the company supplies funds without any intention of trading with this claim. If the term or the expected period of holding is more than one year, they are long-term receivables and if it is less, then shorter other receivables. These receivables are categorised in accordance with IAS 39 as "loan receivables and accounts receivable". Assets within this category are assessed at the accrued acquisition value.

The asset's value is tested for any need to write down if there are indications that the reported value of the asset is below its accrued acquisition value. Any write-down is reported in operating costs.

Accounts payable – trade

Accounts payable – trade are categorised as other liabilities and reported at their accrued acquisition value.

The expected term of trade creditors is short, which is why the liability is reported at its nominal amount without discount.

Financial liabilities

Liabilities to credit institutes, bank overdraft facilities and other liabilities are categorised as other liabilities and are valued at their accrued acquisition value. Any change in value for financial liabilities is reported as other interest revenue or other interest costs.

Leasing

The group as lessor

The equipment used in the group's rental business is owned by Alimak Hek Finance AB and is leased out using operational leasing agreements to companies within the group, which rent the equipment to the end customer.

Lease payments received are allocated and reported as revenue in a straight line over the term of the lease agreement.

Inventories

Inventories are included at the acquisition value or net sale value, whichever is lowest, in accordance with the first-in, first-out principle. Thereby, the risk of obsolescence has been taken into account. For semi-finished and finished goods of own manufacture are valued at direct manufacturing costs and a reasonable proportion of indirect costs. For parts that are recognised as inventory obsolescence reserve is assessed based on an analysis of inertia.

Income tax

Income tax comprises current and deferred tax. Income tax is reported in the profit-and-loss statement except when the underlying transaction is reported via other comprehensive income immediately against equity whereby the associated tax impact is reported via other comprehensive income or in equity.

Current tax is tax which must be paid or received in the current year. This also includes any adjustment of tax relating to previous periods. Deferred tax must be reported in accordance with the balance sheet method which is paid from temporary differences between reported and tax values of assets and liabilities. Deferred tax is not reported for temporary differences which have occurred at the first reporting of assets and liabilities which are not operating acquisitions and which at the time prior to the transaction do not impact on either the reported or tax result, and temporary differences assignable to shares in subsidiaries which are not expected to be recovered in the foreseeable future. The valuation of deferred tax is based on how reported values for assets and liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax regulations and tax rates which have been adopted or adopted in practice on the balance sheet date. Deferred tax liabilities are reported for loss carry-forwards, to the extent it is probable that there will be future profits liable for tax available. The reported values for the deferred tax liabilities are tested at every balance sheet day and are reduced to the extent that it is no longer probable that they can be used.

Compensation for terminations

A provision is recognised in connection with termination of employment only if the company is committed to terminate an employee or group of employees' employment before the normal time or pay compensation for termination through offers that aims to encourage voluntary redundancy. In the latter case, a liability and a cost is recognised if it is probable that the offer will be accepted and the number of employees likely to accept the offer can be reliably calculated.

Pensions

The group has different pension plans in line with local conditions and the customs of the countries where the company operates. The group has both defined benefit and defined contribution plans.

In a defined benefit plan, it is the company which bears the risk for providing the agreed compensation. In a defined contribution plan, the company has no obligations beyond paying the agreed fees to the plan.

Defined benefit pensions

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned through their service in the current and prior periods. This compensation is discounted at the current value. The discount rate is the yield on high quality corporate bonds, mortgage bonds or government bonds in cases where an active market for corporate bonds, mortgage bonds lacking, with a remaining maturity approximating the terms of the related liability. These calculations are done annually by an independent actuary. Furthermore, the actual value of any fiduciary assets is calculated. When determining the current value of the obligation and the actual value of fiduciary assets, there might be actuarial profits and losses. These occur either because the actual outcome deviates from the previous assumption (so-called experience based adjustments) or because the assumptions change. These actuarial profits and losses are reported in the balance sheet and in the profit-and-loss statement under other comprehensive income. When the compensations under a plan are improved, the share of the increased compensation relating to the employees' service in previous periods is reported as a cost under this year's profit/loss. The value for pensions and similar liabilities reported in the balance sheet corresponds to the current value of the liabilities at the end of the accounting period with deductions for the actual value of the fiduciary assets.

Defined pension contribution plans

The Company's obligations for each period is the amount that the company will contribute for the current period. Consequently, no actuarial assumptions are required to calculate the obligation or costs and there is no possibility of any actuarial profit or loss. The obligation is calculated without discounting, unless it does not fall due for payment in its entirety within 12 months after the end of the period during which the employees render the related services.

Provisions

In the group, provisions are made for obligations (legal or informal) based on events which have occurred and which are known or which can reliably be estimated but where the maturity is uncertain.

Provisions for guarantee commitments are made based on known but unregulated guarantee commitments. Provisions are made by an amount which is the best estimate of the expenditure required to settle the current obligation at the balance sheet date. When the effect of payment timing is material, provisions are determined by discounting the expected future

Contingent liabilities

Contingent liabilities are recognised when there is a possible obligation that arises from past events and which existence is confirmed only one or several future events or when there is an obligation which is not reported as a liability or provision because it is not likely that any resources will have to be spent.

Important estimates and assessments for accounting purposes

In order to prepare the group financial statements in accordance with generally accepted accounting policies, estimates and assessments must be made which impact the reported values of assets and liabilities, information on contingency liabilities and pledged assets as per the date on which the group consolidated accounts are prepared and the reported values for income and costs for the reporting period.

Estimates and assessments are made on an ongoing basis.

The group's most important estimates and assessments are;

Write-down of goodwill

Write-down of goodwill is tested annually and also when any events or a change in circumstances indicates that the value of goodwill which has occurred from an acquisition may have decreased, for example due to a change in commercial climate or a decision to divest or close certain operations. In order to determine whether the value of goodwill has reduced, the cash generating unit to which the goodwill relates must be valued which is done through a discounting of the unit's cash flows. When applying this method, the company relies on a number of factors including profits/losses achieved, business plans, economic forecasts and market data.

Income tax and deferred taxes

The Group performs significant assessments to determine both current and deferred tax liabilities and assets, not least in terms of the value of deferred tax assets. To this end, the company must assess the likelihood of deferred tax liabilities being used for offsetting against future profits subject to tax. The actual outcome may deviate from these assessments, among other things, due to future changes in the commercial climate, changes in tax rules or the outcome of reviews by tax authorities and tax courts of tax returns submitted which have yet to be completed.

Pensions

Actuarial assumptions are important ingredients in the actuarial methods used to measure pension obligations, and may have a material impact on the reported net liability and the annual pension cost. The discount rate is an assumption that has significant importance for the calculation of both the annual pension as the current value of the defined benefit pension obligations this year.

The discount rate is used both to calculate the present value of the pension obligation and to estimate the return on fiduciary assets. The discount rate is reviewed quarterly, which affects net debt, and annually, which also affects costs for future years. Other assumptions are reviewed annually and may relate to demographic factors such as retirement age, mortality and staff turnover. A reduced discount rate will reduce the current value of the pension liability and the annual cost.

Accounts receivable – trade

The group performs regular assessments of credit risk in outstanding customer credits and allowances are made for estimated losses. The total allocations for uncertain receivables were as per 31 December 2014 SEK -16.2 million (-14.2) (-16.3).

Inventories

Inventories are reported at the acquisition value or net sale value, whichever is the lowest. Appropriate provisions have been made for obsolescence in accordance with company policy.

2. Financial risk management

The group is exposed to risk exposure related to the backlog, cash and cash equivalents, accounts receivable, accounts payable and borrowings made.

There is exposure to both interest rate and foreign exchange risk. The interest rate risk mainly applies to external loans. In addition to this, the group has a financing risk in connection with the refinancing of existing loans. The group has adopted a financing policy which governs how the effects of the aforementioned exposure can be minimised.

The company's and the group's loan agreements with banks contain specific conditions, so-called covenants. These covenants comprise the following key financial figures for the Alimak Group:

- The group's operating profit/loss before depreciation related to net debt and to interest payments.
- The Group's net debt in relation to equity.

Interest rate risk

The interest rate risk is the risk that changes in the market interest rates will impact on cash flow or the actual value of financial assets and liabilities.

Liquidity risk

The liquidity risk is the risk that the group cannot meet its short-term payment obligations. The group's financial policy prescribes that the liquidity reverse shall comprise such a level that the reserve can handle the fluctuations that are expected in the daily liquidity within a six month period. To satisfy this requirement, the group has bank overdraft facilities and confirmed credit facilities.

Foreign exchange risk

The foreign exchange risk is the risk that exchange rate changes will have a negative impact on the group's results. The group's currency exposure emerges at group-internal financing, when translating external receivables and liabilities and when translating the profit-and-loss statements and balance sheets of foreign subsidiaries to the group's reporting currency (SEK).

The group's currency exposure is divided into transaction exposure (exposure in foreign currencies relating to contractual cash flows and balance sheet items where the currency rate changes impact the profit/loss and cash flows) and translation exposure (equity on foreign subsidiaries).

The currency risk is measured as the impact on the operating profit/loss and equity based on estimated currency movements. The outcome of these estimates are reported annually to the board for Kamila Holding AB. The group's currency risk is managed by means of forward covering of the exposed net flows. The translation exposure primarily concerns translation from EUR, USD, AUD and GBP.

Sensitivity analysis regarding market risk

			2014		2013		2012	
		Change	Impact on the year's profit/loss	Impact on equity	Impact on the year's profit/loss	Impact on equity	Impact on the year's profit/loss	Impact on equity
Market interest rates	1)	1%	6 779	6 779	6 236	6 236	6 408	6 408
Exchange rates	2)	10%	3 687	134 258	1 577	108 357	3 652	106 382
EUR			-558	10 985	-4 458	13 791	-1 132	15 051
USD			2 633	80 921	4 412	78 824	2 821	79 054
AUD			450	13 363	1 168	15 221	1 181	14 382
GBP			988	7 557	1 098	6 565	925	7 192
Other			481	2 586	-848	-4 278	-282	-3 848
Translation difference			-307	18 846	205	-1 766	139	-5 449
			3 687	134 258	1 577	108 357	3 652	106 382

1) here, a change in the interest rate is indicated as a percentage.
2) here, the effect when the Swedish krona improves by 10% against the stated currencies.

The impact indicated above concerns the situation where all foreign currencies and exchange rates change in the same direction. The sensitivity analysis shows the effect after tax, without considering the effects of cash flow hedging and that all other parameters are assumed to be permanent when currencies and interest rates respectively change.

Credit risk

The credit risk is the risk that the counterpart in a transaction does not fulfil its contractual obligations Maximum credit exposure is equivalent to the posted value of financial assets. Given the group's distribution of customers and associated risks and that the customers are operating in different market segments and geographies, the general underlying credit risk is assessed as relatively low. Individual credit assessments are made for larger exposures. The company's financial assets which have neither matured nor been written down are considered to have a good credit rating.

Maximum credit exposure is in accordance with the following;

	2014-12-31	2013-12-31	31/12/2012
Other long-term receivables	8 107	3 107	8 255
Accounts receivable – trade	337 836	284 365	243 024
Derivatives	—	6 232	26 029
Other receivables	85 724	77 159	41 010
Cash and bank balances	384 680	189 931	192 627
Total	816 347	560 794	510 945

Raw materials risk

Raw materials risks are the risks of changes in raw material prices impacting the group's profit/loss.

Exchange rates

Profit-and-loss statements for subsidiaries whose currency is not SEK are translated at the time of consolidation using the average rate for the year. The balance sheet is translated using the closing day rate.

Currency	Average rate 2014	Closing day rate 2014-12-31	Average rate 2013	Closing day rate 2013-12-31	Average rate 2012	Closing day rate 2012-12-31
AED	2,08	2,12	1,78	1,75	1,84	1,77
AUD	6,19	6,38	6,31	5,76	7,02	6,77
BRL	2,92	2,89	3,03	2,78	3,48	3,19
CAD	6,21	6,72	6,33	6,07	6,78	6,55
CNY	1,11	1,26	1,06	1,07	1,07	1,05
EUR	9,10	9,52	8,65	8,94	8,71	8,62
GBP	11,29	12,14	10,19	10,73	10,73	10,49
INR	0,11	0,12	0,11	0,10	0,13	0,12
KRW	0,65	0,71	0,60	0,62	0,60	0,61
NOK	1,09	1,05	—	—	—	—
SGD	5,41	5,91	5,21	5,13	5,42	5,33
USD	6,86	7,81	6,51	6,51	6,78	6,52

3. Segmented reporting

	2014-01-01 -31/12/2014	2013-01-01 -31/12/2013	2012-01-01 -31/12/2012
Revenue per operational segment			
Construction Equipment	333 431	242 519	279 254
Industrial Equipment	545 296	496 400	447 688
Rental	278 517	285 092	303 240
After Sales	585 232	493 134	468 145
	1 742 476	1 517 145	1 498 327
Income per geographical market			
Europe	674 783	538 492	486 814
(of which Sweden)	(75 412)	(56 256)	(46 463)
Asia	493 139	509 603	402 339
South and North America	500 846	415 439	332 177
Other markets	73 708	53 611	276 997
	1 742 476	1 517 145	1 498 327

Operational Segment-Business Area

The group has four operational segments.-

When determining Alimak Hek's operational segments, consideration has been taken to on which markets and to which customers the products and services are sold.

Reporting per operational segment

2012-01-01 2012-12-31	Construction Equipment	Industrial Equipment	Rental	After Sales	Group total
External revenue	279 254	447 688	303 240	468 145	1 498 327
Operating profit/loss	-5 393	73 289	-59 818	129 361	137 439
Operating profit/loss %	*-1,9%*	*16,4%*	*-19,7%*	*27,6%*	*9,2%*
Profit/loss after financial net	n/a	n/a	n/a	n/a	-34 799
This year's profit/loss	n/a	n/a	n/a	n/a	40 600

2013-01-01 2013-12-31	Construction Equipment	Industrial Equipment	Rental	After Sales	Group total
External revenue	242 519	496 400	285 092	493 134	1 517 145
Operating profit/loss	-21 971	100 650	19 160	169 421	267 260
Operating profit/loss %	*-9,1%*	*20,3%*	*6,7%*	*34,4%*	*17,6%*
Profit/loss after financial net	n/a	n/a	n/a	n/a	118 934
This year's profit/loss	n/a	n/a	n/a	n/a	79 028

2014-01-01 2014-12-31	Construction Equipment	Industrial Equipment	Rental	After Sales	Group total
External revenue	333 431	545 296	278 517	585 232	1 742 476
Operating profit/loss	-9 931	96 528	1 457	199 602	287 656
Operating profit/loss %	*-3,0%*	*17,7%*	*0,5%*	*34,1%*	*16,5%*
Profit/loss after financial net	n/a	n/a	n/a	n/a	91 725
This year's profit/loss	n/a	n/a	n/a	n/a	46 499

Tangible assets	2014-12-31	2013-12-31	2012-12-31
Sweden	209 173	219 489	228 072
China	34 195	10 976	7 619
Other markets	33 193	30 288	44 313
	276 561	**260 753**	**280 004**

Operational segments

The group consists of the following operational segments: Construction Equipment, Industrial Equipment, Rental and After Sales. These operational branches are the primary division of the group.

Construction Equipment

The business area designs, develops, manufactures and distributes standard and custom-made lifts for mainly temporary installation. The customers are to be found in the construction industry and within construction-related leasing.

Industrial Equipment

The business area designs, develops, manufactures and distributes standard and custom-made lifts for mainly permanent installations. The customers are to be found within industries such as power, metal and mining, ports, cement and oil & gas.

Rental

The business area offers renting and service of equipment manufactured by the group's other business areas. The customers are to be found in the construction industry and within construction-related leasing.

After Sales

The business area offers service, spare parts, upgrades and training mainly for equipment manufactured by the group. The customers are to be found both in manufacturing and in the construction industry and within construction-related leasing.

Geographical areas

The group's segments are divided into the following geographical areas: Europe, Asia, South and North America and other markets.

As the company is active globally within its business areas, they are normally all represented within the geographical areas.

4. Operating costs

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Raw materials and consumables	-632 823	-562 889	-565 966
Personnel costs	-556 262	-480 502	-460 449
Consulting costs	-44 497	-41 304	-30 225
Depreciation	-48 597	-49 619	-76 287
Other costs	-172 641	-115 571	-227 961
	-1 454 820	-1 249 885	-1 360 888

5. Number of employees and employee benefits

Average number of employees	2014-01-01 -2014-12-31	*of which men*	*of which women*	2013-01-01 -2013-12-31	*of which men*	*of which women*	2012-01-01 -2012-12-31	*of which men*	*of which women*
Sweden	328	88%	12%	308	89%	11%	294	80%	20%
Norway	42	88%	12%	—	0%	0%	—	0%	0%
Holland	41	91%	9%	44	93%	7%	44	93%	7%
Belgium	3	100%	0%	3	100%	0%	3	100%	0%
France	48	87%	13%	47	88%	12%	46	88%	12%
England	60	89%	11%	57	90%	10%	50	93%	7%
German	30	86%	14%	29	86%	14%	29	86%	14%
Italy	10	90%	10%	10	90%	10%	11	90%	10%
Korea	12	83%	17%	11	82%	18%	11	82%	18%
Singapore	14	70%	30%	13	69%	31%	12	69%	31%
Malaysia	11	80%	20%	10	79%	21%	9	83%	17%
Australia	72	94%	6%	71	94%	6%	65	95%	5%
USA	96	87%	13%	92	85%	15%	95	85%	15%
China	207	82%	18%	151	79%	21%	126	78%	22%
India	14	92%	8%	11	91%	9%	6	83%	17%
Brazil	8	86%	14%	8	86%	14%	9	88%	12%
Group in total	996	87%	13%	865	87%	13%	810	81%	19%

The group's gender division in managerial positions	2014-12-31 Proportion of women	2013-12-31 Proportion of women	-2012-12-31 Proportion of women
Board of Directors	2%	2%	2%
Other management post holders	7%	8%	7%

Salaries, other payments and social security costs

	01/01/2014-31/12/2014		01/01/2013-31/12/2013		01/01/2012-31/12/2012	
	Salaries and payments	Social security costs	Salaries and payments	Social security costs	Salaries and payments	Social security costs
	426 334	129 934	370 343	110 155	359 444	100 998
		(23 856)		*(22 933)*		*(21 309)*
Group in total	426 334	129 934	370 343	110 155	359 444	100 998
(of which pension costs)	*1)*	*(23 856)*		*(22 933)*		*(21 309)*

1) Of the group's pension costs, SEK 2.7 million (2.7) (1.9) concern the group's board and CEOs in all companies. The group's outstanding pension commitments to the latter amount to 0 (0) (0).
2) Notice from the CEO is 6 months and 12 months from the company. The CEO has a right to a redundancy payment of 12 fixed monthly salaries.

Salaries and other payments divided between members of the Board of Directors and other employees

	01/01/2014-31/12/2014		01/01/2013-31/12/2013		01/01/2012-31/12/2012	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Subsidiaries in Sweden	8 520	140 415	6 830	124 885	5 534	112 328
(of which bonus, etc.)	(1 785)	(3 362)	(1 202)	(1 509)	(858)	(1 569)
Subsidiaries abroad	14 924	262 475	14 693	223 935	16 291	225 291
(of which bonus, etc.)	(2 040)	(7 939)	(2 544)	(5 639)	(1 975)	(4 543)
Subsidiaries in total	23 444	402 890	21 523	348 820	21 825	337 619
(of which bonus, etc.)	(3 825)	(11 301)	(3 746)	(7 148)	(2 833)	(6 112)
Group in total	23 444	402 890	21 523	348 820	21 825	337 619
(of which bonus, etc.)	(3 825)	(11 301)	(3 746)	(7 148)	(2 833)	(6 112)

Payments to holders of management posts

2012-01-01 31/12/2012	Basic salary	Variable payments	Other benefits	Pension-costs	Total
CEO	810	450	—	284	1 544
Former CEO	1 152	60	7	186	1 405
Other management post holders (7)	8 477	179	398	2 396	11 450
Board member;					
Joakim Rosengren	250				250
Göran Gezelius	250				250
	10 939	689	405	2 866	14 899

2013-01-01 31/12/2013	Basic salary	Variable payments	Other benefits	Pension-costs	Total
CEO	3 248	486	—	1 134	4 868
Other management post holders (6)	9 253	2 943	770	3 523	16 489
Board member;					
Anders Jonsson	300				300
Carl-Johan Falkenberg	150				150
Fredrik Brynildsen	150				150
Wei Chen	63				63
Joakim Rosengren	150				150
Göran Gezelius	150				150
	13 464	3 429	770	4 657	22 320

2014-01-01 31/12/2014	Basic salary	Variable payments	Other benefits	Pension-costs	Total
CEO	3 564	1 166	—	1 247	5 977
Other management post holders (6)	10 138	2 038	409	3 828	16 413
Board member;					
Anders Jonsson	300				300
Carl-Johan Falkenberg	150				150
Fredrik Brynildsen	150				150
Wei Chen	150				150
Joakim Rosengren	150				150
Göran Gezelius	150				150
	14 752	3 204	409	5 075	23 440

Comments on the table

* The chairman of the board and other board members who are not employees are entitled to remuneration.
* Board members who are employees have not been remunerated.
* Variable remuneration concerns bonus carried as an expense, paid out over the next year.
* Other benefits comprise travel benefits and a company car.
* It's the board in Kamila Holding AB, that have acted as board in Alimak Group AB.

Salaries, other payments and social security costs divided by function

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Selling expenses	126 460	121 296	116 966
Administrative expenses	91 819	77 976	75 014
Development costs	17 217	26 352	24 325
Cost of sold goods	320 766	254 874	244 137
	556 262	480 498	460 442

6. Fees and costs for auditors

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Deloitte			
Audit assignment	—	—	3 502
Audit activities in addition to the audit assignment	—	—	663
Tax advice	—	—	103
Other services	—	—	83
	—	—	4 351
Ernst & Young			
Audit assignment	3 922	2 997	—
Audit activities in addition to the audit assignment	31	32	—
Tax advice	216	285	—
Other services	10	138	—
	4 179	3 452	—

The audit assignment concerns the auditor's payment for a statutory audit. The work includes examining the annual accounts and the book-keeping, the management by the board and the CEO and any compensation for auditing advice provided in connection with the audit. The audit activities in addition to the audit assignment concern quality assurance work. In accordance with the definition in the Swedish Auditor's Act, audit activities are partly an examination of the administration, articles of association, regulations and agreements and shall result in a report, testimonial or some other document which is intended for someone other than the client, and partly advice or other assistance required on account of observations associated with an examination assignment (2 § 8 of the Swedish Auditor's Act). Other services refer to such advice not relating to any of the listed types of services.

7. Depreciation

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Depreciation according to plan per asset			
Capitalised expenditure for development and similar	1 730	1 468	929
Land and buildings	3 220	3 170	4 605
Plant and machinery	11 739	11 085	14 873
Equipment, tools and fixtures and fittings	4 852	3 848	4 558
Depreciation according to plan	27 056	30 045	51 322
	48 597	49 616	76 287
Depreciation according to plan per function			
Cost of sold goods	39 140	40 746	62 061
Selling expenses	2 445	2 599	2 639
Administrative expenses	4 713	4 175	9 562
Development costs	2 299	2 096	2 025
	48 597	49 616	76 287

8. Financial income

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest income	2 474	1 589	1 901
Exchange gains	26 214	14 340	4 260
	28 688	15 929	6 161

9. Financial expenses

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest expenses	-137 714	-141 186	-167 900
Exchange losses	-86 905	-23 069	-10 499
	-224 619	-164 255	-178 399

10. Tax

The group's tax cost for 2014 was SEK -45.2 million (-39.9) (75.4). The tax rate may vary between years due to differences in where the companies operate.

	2014-01-01 -2014-12-31	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Current tax	-10 922	-40 551	-37 716
Tax relating to previous years	-5 700	8 970	-233
Deferred tax	-28 604	-8 325	113 348
	-45 226	-39 906	75 399
Reconciliation of effective tax			
Profit/loss before tax	91 725	118 934	-34 799
Tax in accordance with the valid tax rate for the parent company 22% (2012: 26.3%)	-20 179	-26 165	9 152
Difference in tax rates in other countries	-11 394	-12 080	-9 720
Differences for changed tax rate from 26.3% to 22% in Sweden	—	—	1 257
Deferred tax regarding temporary differences	-89	—	—
Change in reported deferred tax on loss carry-forwards	-7 260	-3 140	78 240
Non-deductible costs	-1 289	-7 887	-6 452
Non-taxable income	859	888	3 345
Adjustment of previous year's tax costs	-5 700	8 970	-233
Other	-174	-492	-190
Reported effective tax	-45 226	-39 906	75 399

11. Capitalised expenditure for development and similar, and trademarks

	2014-12-31	2013-12-31	31/12/2012
Accumulated acquisition values			
Vid årets början	12 857	12 707	13 892
New acquisitions	830	263	1 839
Acquisitions, disposals, etc.	—	-286	-2 788
The year's exchange rate differences	1 051	173	-236
	14 738	12 857	12 707
Accumulated depreciation			
At start of the year	-10 831	-9 539	-3 164
Acquisitions, disposals, etc.	—	286	-5 558
Scheduled depreciation for the year	-1 730	-1 468	-929
The year's exchange rate differences	-924	-110	112
	-13 485	-10 831	-9 539
Reported value at end of the period	1 253	2 026	3 168

12. Goodwill

	2014-12-31	2013-12-31	31/12/2012
Accumulated acquisition values			
Vid årets början	1 766 692	1 774 192	1 807 813
Acquisition of subsidiaries	47 051	—	—
The year's exchange rate differences	102 773	-7 500	-33 621
	1 916 516	1 766 692	1 774 192
Accumulated write-downs			
At start of the year	-214 112	-214 112	-214 112
	-214 112	-214 112	-214 112
Reported value at end of the period	1 702 404	1 552 580	1 560 080

Goodwill is not depreciated but is tested annually for write-down requirements.

Goodwill has been allocated to the following cash flow-generating units:

	2014-12-31	2013-12-31	31/12/2012
Business area Construction Equipment	89,9	84,4	85,3
Business area Industrial Equipment	685,6	628,2	630,7
Business area Rental	—	—	—
Business area After Sales	926,9	840,0	844,1
	1 702,4	1 552,6	1 560,1

Goodwill has been allocated to cash flow generating units (CGU) which coincide with business areas. Recoverable values for CGU are determined by calculating the utility value using the discounted cash flow principle, taken from four years' worth of cash flows estimated in the strategic plan approved by the board. Cash flows after the plan period are calculated as a terminal value and are included in the total utility value.

The discount rate is the weighted average cost of capital after tax (WACC) as defined by the group. The components of the risk-free rate, market risk premium, company-specific risk premium, industry specific beta, cost of debt and equity. On the basis of the value in use calculations made have not found any need for write-down of goodwill for any CGU in the financial statements for 2014.

Sensitivity analysis

The most significant assumptions in determining the value in use is the expected growth in demand, operating margin, working capital requirements and the discount rate. The factor used to calculate the growth in the terminal period after year 4 amounts to 2% (2%). Working capital requirement beyond the five-year period is estimated to remain at the level for year 4. The discount rate consists of a weighted average cost of capital for equity and loan and has been calculated at 7.69% (8.55%) after tax.

Management's testing of goodwill has not revealed any needs for write-downs. The sensitivity of the calculations in which the write-downs have not been made implies that no write-down loss to be justified even if the discount rate would be increased by 2 percentage points, or about the long-term growth was decreased by 2 percentage points.

The acquisition

On 22 May 2014, the group acquired 100% of the shares in Heis-Tek A/S and Heis-Tek Bergen A/S. From 1 July 2014, these operations are included in the consolidated accounts. Heis-Tek A/S are specialised in the sale and projecting of new vertical transport solutions, both on land on offshore. The purchase sum, after deduction of acquired liquied funds, was SEK 58.6 million. According to the PPA goodwill was made up of synergy effects, performance improvements and added skills and knowledge to develop operations in the offshore industry. The goodwill that occurred from the acquisition relates to the operational segments Industrial Equipment and After Sales.

13. Tangible assets

2012-01-01 – 2012-12-31	Land and buildings	Plant and technical equipment	Inventories tools and machinery	Equipment for lease	Total
Accumulated acquisition values					
At start of the year	94 862	135 076	43 486	529 066	802 490
New acquisitions	1 330	10 026	4 644	32 335	48 335
Acquisitions and disposals, etc.	-20 995	-33 277	-3 548	-130 295	-188 115
Reclassifications	—	-654	654	—	—
The year's exchange rate differences	-1 563	-973	-1 384	-11 766	-15 686
	73 634	110 198	43 852	419 340	647 024
Accumulated depreciation					
At start of the year	-27 718	-74 249	-24 899	-232 517	-359 383
Acquisitions and disposals, etc.	4 596	23 509	2 608	34 516	65 229
Scheduled depreciation for the year	-4 605	-14 873	-4 558	-51 322	-75 358
The year's exchange rate differences	391	589	1 114	398	2 492
	-27 336	-65 024	-25 735	-248 925	-367 020
Reported value at end of the period	46 298	45 174	18 117	170 415	280 004

Future leasing fees in the group are divided up as follows;

2012-01-01 – 2012-12-31	Financial leasing	Current value of future leasing fees
Within one year	39 209	38 371
Between one and five years	55 210	52 145
Total	94 419	90 516

In June 2013, the Group bought out all the equipment previously leased from Handelsbanken. After the purchase, the Group no longer has any commitments relating to future lease payments.

2013-01-01 – 2013-12-31	Land and buildings	Plant and technical equipment	Inventories tools and machinery	Equipment for lease	**Total**
Accumulated acquisition values					
At start of the year	73 634	110 198	43 852	419 340	647 024
New acquisitions	2 431	18 988	4 682	12 178	38 279
Acquisitions and disposals, etc.	—	-14 391	-2 818	-75 559	-92 768
The year's exchange rate differences	422	197	-231	-3 033	-2 645
	76 487	114 992	45 485	352 926	589 890
Accumulated depreciation					
At start of the year	-27 336	-65 024	-25 735	-248 925	-367 020
Acquisitions and disposals, etc.	—	8 903	2 368	72 625	83 896
Scheduled depreciation for the year	-3 170	-11 085	-3 848	-30 045	-48 148
The year's exchange rate differences	-288	27	211	2 185	2 135
	-30 794	-67 179	-27 004	-204 160	-329 137
Reported value at end of the period	45 693	47 813	18 481	148 766	260 753

2014-01-01 – 2014-12-31	Land and buildings	Plant and technical equipment	Inventories tools and machinery	Equipment for lease	Total
Accumulated acquisition values					
At start of the year	76 487	114 992	45 485	352 926	589 890
New acquisitions	1 502	23 014	14 634	26 800	65 950
Acquisition of subsidiaries	—	836	3 734	—	4 570
Acquisitions and disposals, etc.	-6 775	-8 100	-1 592	-10 995	-27 462
Reclassifications	—	64	—	-64	—
The year's exchange rate differences	960	3 705	5 547	9 152	19 364
	72 174	134 511	67 808	377 819	652 312
Accumulated depreciation					
At start of the year	-30 794	-67 179	-27 004	-204 160	-329 137
Acquisition of subsidiaries	—	-676	-1 581	—	-2 257
Acquisitions and disposals, etc.	6 423	8 654	479	1 208	16 764
Scheduled depreciation for the year	-3 220	-11 739	-4 852	-27 056	-46 867
The year's exchange rate differences	-578	-2 300	-4 854	-6 522	-14 254
	-28 169	-73 240	-37 812	-236 530	-375 751
Reported value at end of the period	44 005	61 271	29 996	141 289	276 561

A finance lease agreement is a lease agreement under which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operational lease agreement is a lease agreement which is not a financial lease agreement.

The group has operational leasing both as a lessee and lessor.

Operational lease costs are mainly rents for premises. These leasing costs are not significant to the group.

Operational lease revenue are mainly from the renting of rack and pinion lifts, work platforms and construction lifts. The terms for most of the lease agreements are shorter than one year and can be terminated with short notice.

14. Financial assets and liabilities.

Financial assets	Booked value 2014	Booked value 2013	Booked value 2012	Fair value 2014	Fair value 2013	Fair value 2012
Derivative assets for hedging purposes						
Derivatives	—	6 232	26 029	—	6 232	26 029
Loans and receivables						
Long-term receivables	8 107	3 107	8 255	8 107	3 107	8 255
Accounts receivable – trade	337 836	284 365	243 024	337 836	284 365	243 024
Other financial receivables	126 350	91 026	56 995	126 350	91 026	56 995
Cash and bank	384 680	189 931	192 627	384 680	189 931	192 627
Total	856 973	568 429	500 901	856 973	568 429	500 901

Financial liabilities	Booked value 2014	Booked value 2013	Booked value 2012	Fair value 2014	Fair value 2013	Fair value 2012
Derivative liabilities for hedging purposes						
Derivatives	29 617	10 769	7 523	29 617	10 769	7 523
Other financial liabilities						
Long-term liabilities to banks	692 685	699 360	802 639	702 192	713 092	814 547
Short-term liabilities to banks	227 775	128 749	103 073	232 000	132 974	108 366
Bank overdraft facilities	20 756	44 728	42 883	20 756	44 728	42 883
Accounts payable – trade	160 306	105 899	136 044	160 306	105 899	136 044
Other financial liabilities	88 204	48 974	60 647	88 204	48 974	60 647
Total	1 189 726	1 027 710	1 145 286	1 203 458	1 045 667	1 162 487

2012-12-31	Gross amount	Offset amount	Net amount on balance sheet	Amounts covered by framework agreements for offsetting or similar agreement* Financial instruments	Financial security, obtained/lodged	Net amount
Derivative assets	26 029	—	26 029	-7 523	—	18 506
Derivative liabilities	7 523	—	7 523	-7 523	—	0

2013-12-31	Gross amount	Offset amount	Net amount on balance sheet	Amounts covered by framework agreements for offsetting or similar agreement* Financial instruments	Financial security, obtained/lodged	Net amount
Derivative assets	6 232	—	6 232	6 232	—	0
Derivative liabilities	10 769	—	10 769	6 232	—	4 537

2014-12-31	Gross amount	Offset amount	Net amount on balance sheet	Amounts covered by framework agreements for offsetting or similar agreement* Financial instruments	Financial security, obtained/lodged	Net amount
Derivative assets	—	—	—		—	—
Derivative liabilities	29 617	—	29 617	—	—	29 617

* These financial assets and liabilities are offset only in case of insolvency or payment default by either party.

During the financial year, no financial assets or financial liabilities were reclassified between the valuation categories below.

Financial assets and financial liabilities valued at their current value

2012-01-01 – 2012-12-31 Financial assets	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	26 029	—	26 029
Total	—	26 029	—	26 029

2012-01-01 – 2012-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Interest rate derivatives	—	7 523	—	7 523
Total	—	7 523	—	7 523

2013-01-01 – 2013-12-31 Financial assets	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	6 232	—	6 232
Total	—	6 232	—	6 232

2013-01-01 – 2013-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	9 032	—	9 032
Interest rate derivatives	—	1 737	—	1 737
Total	—	10 769	—	10 769

2014-01-01 – 2014-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	29 617	—	29 617
Total	—	29 617	—	29 617

Financial assets and liabilities are valued at their accrued acquisition value where the actual value is stated for information purposes.

2012-01-01 – 2012-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Long-term liabilities to banks	—	—	814 547	814 547
Short-term liabilities to banks	—	—	108 366	108 366
Total	—	—	922 913	922 913

2013-01-01 – 2013-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Long-term liabilities to banks	—	—	713 092	713 092
Short-term liabilities to banks	—	—	132 974	132 974
Total	—	—	846 066	846 066

2014-01-01 – 2014-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Long-term liabilities to banks	—	—	702 192	702 192
Short-term liabilities to banks	—	—	232 000	232 000
Total	—	—	934 192	934 192

The actual value of long and short term liabilities to credit institutions calculated for disclosure purposes by future cash flows discounted at the current interest rate for the remaining maturity.

The group categorises financial assets and liabilities which are estimated at their actual value in an actual-value hierarchy based on the information used to value every asset and liability.

Level 1 – Listed prices for identical assets and liabilities on an active market.

Level 2 – Listed prices on markets which are not active, listed prices for similar assets and liabilities, information other than listed prices which are observable directly or indirectly primarily for the instrument's entire term and input date for valuation models obtained from observable market data.

Level 3 – Information which is important for the asset's or liability's current value is not observable, unless the group's own assessments are applied.

The real value of forward exchange contracts is calculated by discounting the difference between the contracted forward rate and the forward rate that may be subscribed for on the balance sheet date for the remaining contract period. Discounting is done at risk-free interest based on government bonds.

The real value of interest rate swaps is based on discounted estimated future cash flows under the contract terms and maturities based on the market interest.

15. Accounts receivable – trade

	2014-12-31	2013-12-31	2012-12-31
Accounts receivable – trade, gross	354 031	298 517	259 311
Accumulated reserve for bad debts, opening	-14 152	-16 287	-13 942
This year's provisions	-4 203	-5 492	-1 379
This year's restored provisions	2 789	7 758	-1 136
Exchange rate differences	-629	-131	170
Accumulated reserve for bad debts, closing	-16 195	-14 152	-16 287
Reported value at end of the period	337 836	284 365	243 024

An age analysis of matured accounts receivable (trade) which are not regarded as doubtful is in accordance with the following

	2014-12-31	2013-12-31	2012-12-31
1-30 days	79 098	67 403	53 095
31-90 days	31 484	18 538	20 838
91-120 days	18 154	13 481	5 190
> 120 days	25 551	19 441	17 813
Age analysis as per 31 December	154 287	118 863	96 936

16. Prepaid expenses and accrued income

	2014-12-31	2013-12-31	2012-12-31
Accrued lease income	1 365	1 183	2 308
Accrued sales income	23 083	438	1 765
Prepaid insurance	3 900	3 681	3 072
Prepaid salaries	—	—	853
Service agreement	3 925	1 158	417
Bank fees and legal expenses	287	75	149
Transport subsidies and fees	1 037	1 202	1 008
IT services	2 139	1 973	2 139
Other prepaid expenses and accrued income	4 890	4 157	4 274
Reported value at end of the period	40 626	13 867	15 985

17. Long-term and short-term liabilities

2012-12-31	Entered value	< 1 years	> 1 years < 5 years	> 5 years
Loans from financial institutions	664 581	—	423 320	241 261
Long-term financial lease liabilities	138 058	—	138 058	—
Other long-term liabilities	2 684	—	2 684	—
Other long-term liabilities to the parent company	759 347	—	—	759 347
Reported value at end of the period	1 564 670	—	564 062	1 000 608
Short-term liabilities to banks	63 864	63 864	—	—
Short-term financial lease liabilities	39 209	39 209	—	—
Reported value at end of the period	103 073	103 073	—	—

2013-12-31	Entered value	< 1 years	> 1 years < 5 years	> 5 years
Loans from financial institutions	699 360	—	386 062	313 298
Other long-term liabilities	11 374	—	11 374	—
Other long-term liabilities to the parent company	835 281	—	—	835 281
Reported value at end of the period	1 546 015	—	397 436	1 148 579
Short-term liabilities to banks	128 749	128 749	—	—
Reported value at end of the period	128 749	128 749	—	—

2014-12-31	Entered value	< 1 years	> 1 years < 5 years	> 5 years
Loans from financial institutions	692 169	—	402 922	289 247
Other long-term liabilities	516	—	516	—
Other long-term liabilities to the parent company	918 809	—	—	918 809
Reported value at end of the period	1 611 494	—	403 438	1 208 056
Short-term liabilities to banks	227 775	227 775	—	—
Reported value at end of the period	227 775	227 775	—	—

Borrowing

The average interest rate commitment time for long-term borrowing was 6 months (6 months) at the turn of the year.

The average interest rate for the group's interest-bearing loans at the turn of the year was 3.6% (4.8%).

2012-12-31

Term	Type of loan	Interest rate %	Currency	Nominal Value	Entered Value
Variable interest rate	Bank loans	4,64%	SEK	114 207	114 207
"	Bank loans	4,89%	SEK	319 582	319 582
"	Bank loans	4,23%	USD	241 261	241 261
"	Lease liabilities	2,39%	EUR	176 248	176 248
Fixed interest rate	Bank loans	8,40%	CNY	54 414	54 414
"	Convertible loan	10,00%	SEK	759 347	759 347
	Other loans not carrying interest	0,00%	SEK	2 684	2 684
Total borrowing				1 667 743	1 667 743

2013-12-31

Term	Type of loan	Interest rate %	Currency	Nominal Value	Entered Value
Variable interest rate	Bank loans	4,14%	EUR	142 088	142 088
"	Bank loans	4,53%	SEK	61 775	61 775
"	Bank loans	4,78%	SEK	317 757	317 757
"	Bank loans	4,17%	USD	240 965	240 965
"	Bank loans	8,40%	CNY	65 524	65 524
Fixed interest rate"	Convertible loan	10,00%	SEK	835 281	835 281
	Other loans not carrying interest	0,00%	SEK	11 374	11 374
Total borrowing				1 674 764	1 674 764

2014-12-31

Term	Type of loan	Interest rate %	Currency	Nominal Value	Entered Value
Variable interest rate	Bank loans	2,83%	EUR	136 340	136 340
"	Bank loans	2,77%	SEK	8 275	8 275
"	Bank loans	3,02%	SEK	321 981	321 981
"	Bank loans	3,08%	USD	289 247	289 247
"	Bank loans	8,40%	CNY	76 356	76 356
"	Bank loans	4,28%	NOK	84 160	84 160
"	Bank loans	3,30%	SEK	3 000	3 000
"	Other loans	6,20%	USD	516	516
Fixed interest rate	Other loans	7,50%	NOK	585	585
	Convertible loan	10,00%	SEK	918 809	918 809
Total borrowing				1 839 269	1 839 269

The company's and the group's loan agreements with banks contain specific conditions, so-called covenants. These covenants comprise the following key financial figures for the Alimak Group:

- The group's operating profit/loss before depreciation related to net debt and to interest payments.
- The Group's net debt in relation to equity.

Financial derivative instruments

The table below shows actual values of the group's financial derivative instruments for handling of financial risks and the own trade.

Actual value	31 December 2014 Assets	31 December 2014 Liabilities	31 December 2013 Assets	31 December 2013 Liabilities	31 December 2012 Assets	31 December 2012 Liabilities
Interest rate swaps						
Cash flow hedging	—	—	—	1 737	—	7 523
Exchange forwards						
Cash flow hedging	—	29 617	6 232	9 032	26 029	—
Reported value at end of the period	—	29 617	6 232	10 769	26 029	7 523

Capital administration

Capital refers to both equity and borrowed capital. The objective of the group's capital administration is to ensure the group's continued existence and freedom to trade and to ensure that owners receive a return on funds invested. The distribution between equity and borrowed capital shall be such that a good balance is achieved between risk and return. The capital structure is adjusted when necessary to meet changed economic requirements and other global factors. In order to retain and adjust the capital structure, the group can distribute funds, increase equity by issuing new shares or capital contributions or sell assets to reduce liabilities or alternatively increase liabilities in order to acquire assets.

Term analysis regarding contractual payments received/payments made

2012-12-31

Financial assets	< 1 month	1-12 months	1-5 years	> 5 years
Other long-term receivables	—	6 226	2 029	—
Accounts receivable – trade	112 029	130 995	—	—
Derivatives	—	26 029	—	—
Other receivables	6 067	31 928	3 001	14
Accrued income	2 349	13 504	132	—
Deposit	374	3 632	1 173	—
Cash and bank	88 103	99 345	—	—
Total	208 922	311 659	6 335	14

Financial liabilities	< 1 month	1-12 months	1-5 years	> 5 years
Liabilities to parent company	—	—	—	759 347
Liabilities to banks	67 284	119 457	695 209	241 261
Advance payments from customers	2 000	21 986	1 094	—
Accounts payable – trade	76 951	58 938	155	—
Derivatives	—	7 523	—	—
Other liabilities	8 539	33 650	—	—
Total	154 774	241 554	696 458	1 000 608

2013-12-31

Financial assets	< 1 month	1-12 months	1-5 years	> 5 years
Other long-term receivables	—	—	2 057	1 050
Accounts receivable – trade	173 964	113 681	-3 280	—
Derivatives	—	6 232	—	—
Other receivables	23 164	53 995	—	—
Accrued income	4 815	9 052	—	—
Deposit	1 629	4 453	221	—
Cash and bank	79 631	103 997	—	—
Total	283 203	291 410	-1 002	1 050

Financial liabilities	< 1 month	1-12 months	1-5 years	> 5 years
Liabilities to parent company				835 281
Liabilities to banks	47 377	158 814	506 063	313 298
Advance payments from customers	4 473	22 940	1 136	—
Accounts payable – trade	56 487	49 295	45	72
Derivatives	—	10 769	—	—
Other liabilities	9 178	23 651	—	—
Total	117 515	265 469	507 244	1 148 651

2014-12-31

Financial assets	< 1 month	1-12 months	1-5 years	> 5 years
Other long-term receivables	—	—	4 268	3 839
Accounts receivable – trade	189 623	145 146	3 267	-200
Other receivables	15 297	70 427	—	—
Accrued income	4 324	36 073	229	—
Deposit	—	8 641	667	—
Cash and bank	230 160	145 212	—	—
Total	439 404	405 499	8 431	3 639

Financial liabilities	< 1 month	1-12 months	1-5 years	> 5 years
Liabilities to parent company	—	—	—	918 809
Liabilities to banks	22 953	248 380	484 239	289 247
Advance payments from customers	2 922	26 812	2 808	—
Accounts payable – trade	82 558	77 529	143	76
Derivatives	—	29 617	—	—
Other liabilities	15 455	23 085	—	—
Total	123 888	405 423	487 190	1 208 132

Reserves for cash flow hedging is estimated to impact the profit-and-loss statement and the cash flow respectively in the periods stated below:

	2014		2013		2012	
	Cash flow	Profit and Loss Statement	Cash flow	Profit and Loss Statement	Cash flow	Profit and Loss Statement
Within one year	-39 709	-29 617	—	—	10 064	5 574
More than one year	—	—	—	—	—	—
Total	-39 709	-29 617	—	—	10 064	5 574

Amounts which have reduced the cash flow hedge reserve have been recognised in Cost of sold goods

18. Equity

Other paid in capital and reserves

Relates to equity paid in from the owners.

Profit brought forward

Retained earnings, including this year's profit/loss, includes earnings of the parent and its subsidiaries.

Accrued translation differences are also included in retained earnings.

Hedging reserve

Cash flow hedging comprises the effective portion of the cumulative net change in the real value of a cash flow hedging instrument attributable to hedging transactions that have not yet occurred.

Accumulated translation difference

The currency difference comprises all foreign exchange differences arising on translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the group's financial reports are presented.

19. Deferred taxes

2012-01-01
2012-12-31

Deferred tax receivable	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax receivables
Opening balance 1 January 2012	9 150	11 623	—	—	—	20 773
Reported for the period	-348	102 227	—	—	5 384	107 263
Exchange rate differences	-445	-797	—	—	—	-1 242
Reported value at end of the period	8 357	113 053	—	—	5 384	126 794

Deferred tax liabilities	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax Liabilities
Opening balance 1 January 2012	2 713	27 499	—	5 786	3 565	39 563
Reported for the period	-3 407	624	—	263	-3 565	-6 085
Reported value at end of the period	-694	28 123	—	6 049	—	33 478

2013-01-01
2013-12-31

Deferred tax receivable	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax receivables
Opening balance 1 January 2013	8 357	113 053	—	—	5 384	126 794
Reported for the period	1 304	-32 483	—	—	-5 384	-36 563
Exchange rate differences	-492	910	—	—	—	418
Reported value at end of the period	9 169	81 480	—	—	—	90 649

Deferred tax liabilities	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax Liabilities
Opening balance 1 January 2013	-694	28 123	—	6 049	—	33 478
Reported for the period	874	-28 123	—	-989	—	-28 238
Exchange rate differences	-11	—	—	—	—	-11
Reported value at end of the period	169	—	—	5 060	—	5 229

2014-01-01
2014-12-31

Deferred tax receivable	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax receivables
Opening balance 1 January 2014	9 169	81 480	—	—	—	90 649
Reported for the period	9 187	-12 262	—	65	6 516	3 506
Acquisition of subsidiaries	470	—	—	—	—	470
Exchange rate differences	1 158	260	—	—	—	1 418
Reported value at end of the period	19 984	69 478	—	65	6 516	96 043

Deferred tax liabilities	Provisions	Tax related losses deductions	Fixed assets	Untaxed reserves	Derivatives	Total deferred tax Liabilities
Opening balance 1 January 2014	169	—	—	5 060	—	5 229
Reported for the period	-195	—	27 614	—	—	27 419
Acquisition of subsidiaries	—	—	5 161	—	—	5 161
Exchange rate differences	26	—	—	—	—	26
Reported value at end of the period	—	—	32 775	5 060	—	37 835

Deferred tax receivable and liabilities have been offset where it is legally possible to reduce the current tax liability with current tax receivables and when deferred taxes are included in the same tax unit. Deferred tax liabilities relating to fiscal loss deductions have been recognised to the extent that accrued fiscal loss deductions are considered as realisable against future taxable profits.

Non-reported fiscal loss deductions (SEK million)	2014-12-31	2013-12-31
China	48	33
Italy	20	18
	68	51

Fiscal loss deductions not included on the balance sheet carry a value corresponding to SEK 14 million.

20. Provisions for pensions

Defined contribution pension plans

The group's defined contribution pension plans cover employees in all the group's companies except for employees of Alimak Hek AB and Alimak Hek Ltd. The defined contribution pension plans primarily cover retirement pensions, sickness pensions and family pensions.

The premiums are paid on an ongoing basis throughout the year by the respective group company to various insurance companies. The amount of the premiums is based on the salary.

Defined benefit pension plans

The group's defined benefit pension plans cover employees in the group companies Alimak Hek AB in Sweden and the group company Alimak Hek Ltd in Great Britain. In addition, there are defined benefit pension plans to a lesser extent in the Netherlands, Italy, France and Germany. According to these defined benefit plans, the employees have a right to pension benefits based on their pensionable income and length of service. The pension plans primarily cover retirement pensions, sickness pensions and family pensions.

Britain's pension plan is funded. The Swedish pension plan is secured through provisions on the balance sheet in combination with credit insurance in the PRI Pension Guarantee and through pension insurance in Alecta. In the Swedish plan all the new pension entitlements are secured through premiums to Alecta. According to a statement by the Swedish Financial Reporting Council, UFR10, this is a defined benefit scheme covering multiple employers. For this financial year, the company has not had access to information that makes it possible to recognise this plan as a defined benefit plan, which means that it is recognised as a defined contribution plan, and thus included in pension cost of defined contribution pensions

This year's costs for pension plans to Alecta was SEK 2.5 million (2.3). The expected costs for 2015 are SEK 1.4 million. The group's total share of the premiums for ITP2 in Alecta are 0.01703% (0.01498%). As per 31 December 2014, Alecta's surplus in the form of the collective consolidation level was 144% (148%). The collective consolidation level is made up of the market value for Alecta's assets in percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions which do not correspond with IAS19. Alecta's collective consolidation level is normally allowed to fluctuate between 125-155%, if it falls below 125% or goes above 155%, measures should be taken with the aim of creating conditions so that the consolidation level returns to the normal interval. In the event of a low consolidation, one measure can be to increase the agreed price for new subscriptions and the increase of existing benefits. In the event of a high consolidation, one measure can be to introduce a reduction in premiums.

Pension obligations

Pension costs, defined benefit pensions	2014-12-31	2013-12-31	2012-12-31
Amount reported in the income statement			
Expenses for pensions realised for the year	5 862	2 952	2 447
Interest costs, net	2 193	1 659	1 615
Reported value for the period	8 055	4 611	4 062
Cost of defined contribution pensions	11 241	9 795	10 607
Amounts recognized in other comprehensive income			
Revaluation of pension liabilities	298	8 130	6 156
Revaluation of fiduciary liabilities	376	397	483
Reported value for the period	674	8 528	6 639
Total pension costs	19 970	22 933	21 309

Amount reported in the balance sheet	2014-12-31	2013-12-31	2012-12-31
Present value of benefit obligation, funded plans, UK	84 415	70 032	54 555
Fair value of plan assets, UK	66 352	52 495	43 383
Net debt funded plans, UK	18 063	17 537	11 172
Present value of benefit obligation, unfunded plans, Sweden	42 634	37 820	38 181
Present value of benefit obligation, unfunded plans, other	3 768	1 773	1 844
Reported value at end of the period	64 465	57 130	51 197

Reconciliation of amounts recognized in the balance sheet	2014-12-31	2013-12-31	2012-12-31
Opening balance, net debt	57 130	51 197	39 199
Effect of changes in accounting standards IAS 19R	—	—	8 784
Expenses for pensions realised for the year	5 862	2 952	2 447
Interest costs, net	2 193	1 659	1 615
Revaluation of pension liabilities	3 610	8 130	6 156
Revaluation of fiduciary liabilities	959	397	483
Pension payments directly from the employer	-1 940	-2 091	-1 753
Contributions from the employer	-6 871	-5 755	-5 388
Other	1 112	—	-49
Exchange rate differences	2 410	641	-297
Closing balance, net debt	64 465	57 130	51 197

Reconciliation of the present value of pension liabilities	2014-12-31	2013-12-31	2012-12-31
Opening balance, pension liabilities	109 623	94 580	82 270
Effect of changes in accounting standards IAS 19R	—	—	8 784
Expenses for pensions realised for the year	5 862	2 952	2 447
Interest costs	4 742	3 513	3 644
Revaluation of pensions;			
– Demographic assumptions	-6 009	744	—
– Financial assumptions	11 178	4 790	7 010
– Experience-based adjustments	-1 558	2 597	-855
Pension payments	-4 210	-2 264	-8 258
Contributions from employees	789	662	655
Other	1 111	—	-49
Exchange rate differences	9 288	2 050	-1 070
Closing balance, pension liabilities	130 816	109 623	94 578

Reconciliation of fiduciary assets at real value	2014-12-31	2013-12-31	2012-12-31
Opening balance, fiduciary assets	52 493	43 382	43 071
Interest income	2 549	1 853	2 029
Return in addition to interest income	-959	-397	-483
Contributions from the employer	6 871	5 755	5 388
Contributions from employees	789	662	655
Pension payments from fiduciary assets	-2 270	-173	-6 505
Exchange rate differences	6 879	1 411	-773
Closing balance, fiduciary assets	66 352	52 493	43 382

Fiduciary assets consist of investment in Aviva – Deferred Allocation Funding With-Profits policy.

The table below shows the most important assumptions which have used on the balance sheet date.

The most important actuarial assumptions which were used were as follows;

	2014-12-31	2013-12-31	2012-12-31
Sweden:			
Discount rate %	2,5	4,0	3,6
Future pension increases %	2,0	2,0	1,8
Life time	PRI 2011	PRI 2011	PRI 2011
Great Britain:			
Discount rate %	3,8	4,1	4,1
Future salary increases %	4,3	4,4	3,9
Future pension increases %	2,5	2,5	2,5
Life time	PCMA00, PCFA00	PCMA00, PCFA00	PCMA00, PCFA00
Future adjustment upwards %	2,0	2,0	1,0

Sensitivity analysis

An increase in the discount rate of 0.5% points would reduce the pension liability by SEK 19.6 million (14.3).

A decrease in the discount rate of 0.5% points would increase the pension liability by SEK 20.1 million (14.6).

The weighted average maturity, duration, on the pension liabilities in the UK is around 30 years (32).

The weighted average maturity, duration, on the pension liabilities in the Sweden is around 24 years (25).

Forecast of next year's cash flow, defined benefit pensions

The expected costs for the pension plan for the next year amounts to SEK 8.5 million.

21. Other provisions

	2014-12-31	2013-12-31	2012-12-31
Guarantee commitments	11 854	5 605	6 439
Costs for restructuring measures	12 600	3 935	—
Final inspection costs	1 734	894	1 182
Personnel costs	7 005	5 338	8 587
Consulting costs	—	867	672
Project costs	11 375	4 105	3 697
Tax costs	2 225	1 492	2 063
Other provisions	256	394	395
Reported value at end of the period	47 049	22 630	23 035

22. Pledged assets and contingent liabilities

	2014-12-31	2013-12-31	2012-12-31
Pledged assets			
Floating charges	98 555	98 555	98 555
Shares	2 183 990	2 063 296	1 703 652
Fixed assets	12 046	12 547	16 635
Receivables	63 135	63 644	58 301
Inventories	90 393	59 776	42 862
Other	3 112	292	389
Total pledged securities	2 451 231	2 298 110	1 920 394
Contingent liabilities			
Guarantee commitments, FPG/PRI	664	682	690
Guarantees for the benefit of group companies	5 196	8 442	100 404
Other contingent liabilities	206 879	92 456	68 628
Sum continent liabilities	212 739	101 580	169 722

All shares in subsidiaries are pledged as security for the group's Senior Facility Agreement with Handelsbanken.

Furthermore, the group issued commercial pledges for third party performances third party issued by banks and insurance institutions amounting to SEK 124 million.

23. Bank overdraft facilities

	2014-12-31	2013-12-31	2012-12-31
Approved credit limits	150 617	144 647	144 771
Unutilised part	-129 861	-99 919	-101 888
Utilised credit	20 756	44 728	42 883

24. Accrued expenses and deferred income

	2014-12-31	2013-12-31	2012-12-31
Personnel costs	63 618	48 099	44 414
Prepaid income	10 612	3 780	5 869
Interest expenses and other financial items	328	5 315	5 903
Audit costs	1 520	1 475	1 418
Provisions for fees	10 558	1 769	1 672
Other items	3 623	3 806	3 596
	90 259	64 244	62 872

25. Transactions with associates

The group is controlled by Apolus Sweden AB, parent company to Alimak Group AB.

Apolus Holding AB is controlled by Triton Fund II LP which directly and indirectly controls 86.48% of the shares.

There are no significant transactions with companies with which Triton Fund II Lp has a significant or controlling influence.

Compensation for services and expenses has been paid to West Park Management Services Ltd at a total of SEK 1 million (0.9) (0.9). which is an associate consultancy company to Triton.

26. Company acquisitions

During 2014, the group acquired net assets, excluding liquid funds, at a value of SEK 11.5 million. The acquisition did not have any significant impact on the group's profit/loss or financial position.

Acquisitions 2014

Total purchase sums paid, with deduction of aquired liquid funds	58 581
Tangible assets	2 419
Other assets	53 699
Other liabilities	-44 588
Total net assets acquired, excluding liquid funds	**11 530**
Goodwill	47 051
Total	**58 581**

Acquisition related costs were SEK 2.5 million.

Contributions to the group since the acquisition	Heis-Tek Bergen A/S	Heis-Tek A/S
Turn-over	31 252	27 039
Operating profit/loss	5 254	5 253

Acquisitions 2014

Company	Description	Transaction date
Heis-Tek Bergen A/S	Service, new fittings and repairs on and offshore	22 May 2014
Heis-Tek A/S	Sales on and offshore	22 May 2014

The operations are included in the consolidated accounts from 1 July 2014.

To the Board of Directors of Alimak Group AB (publ), reg. no 556714-1857

THE AUDITORS' REPORT ON HISTORICAL FINANCIAL STATEMENTS

We have audited the financial statements for Alimak Group AB (publ) on pages F-3 – F-39, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013 and the consolidated statements of income, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory notes.

The Board of Directors' responsibility for the financial statements

The Board of Directors are responsible for the preparation and the fair presentation of the financial position, financial performance, statement of changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation of the financial statements in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR´s Recommendation RevR 5 *Examination of Financial Information in Prospectuses*. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit in accordance with FAR´s Recommendation RevR 5 *Examination of Financial Information in Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected are based on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework, of the financial position of the group as of December 31, 2014 and 2013 and its financial performance, statements of changes in equity and cash flows for these years.

Stockholm, June 3, 2015

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Audited consolidated financial statements of Kamila Holding AB as of and for the year ended December 31, 2013

MANAGEMENT REPORT

Kamila Holding AB, corp. ID no 556709-1581, is owned by Apolus Sweden AB, corp. ID no. 556714-1857, and the ultimate owner is Triton Fund II LP (corp. ID no. LP701), Jersey.

Kamila Holding AB owns Alimak Hek Group AB.

Kamila Holding AB is a holding company and only operates a business to a limited extent. The company has no employees.

The Kamila Holding Group operates a business through the Alimak Hek Group, which develops, manufactures, sells and leases lifts, work platforms and related equipment. In addition, the group operates an after-sales service for its products. The company operates in four segments; Construction Equipment, Industrial Equipment, Rental and After Sales.

Sales within Construction are mainly to customers with construction-related activities and the products are used temporarily in association with new buildings, rebuilding and renovations. Within Industrial, the customers are to be found in different industrial customer groups. The products are installed permanently on the customer's establishments. Within Rental, the group operates its own rental service of its own manufactured products to customers mainly within construction-related industries. The business within After Sales comprises sales of spare parts, upgrades and maintenance.

The group is represented by its own sales companies in around fifteen countries and by independent distributors in a further 35 countries approximately.

Kamila Holding AB has received a group contribution of SEK 30.0 million from Alimak Hek Group AB.

Events during the year and after the end of the financial year

In July 2013, the loan agreement in Kamila Holding AB was renegotiated, which resulted in changes to both the amortization schedule as well as covenants which give the group improved opportunities for expansion. In connection with this, the group's lease fleet was taken over from Handelsbanken.

The revised loan agreement has resulted in non-recurring bank charges and slightly higher interest rates.

After previous relocation of production from the Netherlands to China, restructuring was commenced of the unit in Holland in order to adapt it to the remaining business and the local market.

Financial position of the group

Liquid assets on 31 December 2013 amounted to SEK 188,775 thousand (191,447).

The cash flow from current operations during 2013 amounted to SEK 107,742 thousand (244,186).

The cash flow from investment activities was SEK -31,995 thousand (8,421).

The cash flow from financing activities was SEK -73,292 thousand (-213,987).

The profit for the period was SEK 138,269 thousand (35,706).

Investments, acquisitions and disposal of shares

The group's investments in assets during 2013 equalled SEK 38,542 thousand (51,345). Depreciation during the period equalled SEK 49,616 thousand (76,287).

Changes in equity

As of 31 December 2013, the group possessed equity of SEK 1,181,402 thousand (1,058,675).

The change in equity, in addition to the profit from the year's activities, is due to the change in the hedging reserve and the exchange rate differences with the translation into Swedish kronor of goodwill and the equity of foreign subsidiaries.

Risk management

The group is exposed to competition and price pressure.

A prolonged recession or a protracted decline in the customers' confidence on the markets in which the group operates would mean a substantial decline in sales for the entire group and result in slower economic growth.

The group has previously, and may do so in the future as well, consolidate its market positions through organic growth, acquisition of activities and improvements in efficiency. Growth through acquisitions is risky by nature due to the difficulties in integrating activities and employees. In this connection, the group may incur acquisition costs and other associated costs.

In this respect, costs are included related to the integration of acquired or restructured activities. There are no guarantees that in future the group will be able to integrate the activities which have been acquired or that, when they are integrated, they will perform as expected.

The risks in the group's activities can generally be divided into strategic risks, operating risks and financial risks.

The objective of risk management in the company is to support the goals stipulated at the same time as avoiding undesired financial events.

Strategic risks

The group's aim is to grow profitably within established market areas. The growth is to be achieved organically through acquisitions. The primary risk is the economy in those segments and parts of the world in which the group operates. The group counteracts this risk by continually monitoring market developments in order to be able to fend off economic fluctuations as far as possible.

Operating risks

Operating risks are defined as negative effects of both external and internal events. Internal events can be related to failings in routines, an inadequate control system, or equipment.

In order to reduce the likelihood of negative events occurring, the group has policies in place which govern and monitor critical internal processes.

Financial risks

The group is exposed to different types of financial risk. The group's overall policy for financial risk management is at any given time to minimise the negative impact on the group's results of market fluctuations. The group's finance policy is laid down annually by the Board of Directors and governs how the financial risks shall be managed and the financial instruments which may be used.

The group's main risk exposure concerns interest rates, liquidity and foreign currency. There is also a financing risk associated with extending existing loans and with new borrowing. The risk concerns both the group's financial position and the conditions on the credit market at the aforementioned times.

Interest rate risk

The interest rate risk is the risk that changes in the market interest rates will impact on cash flow, results or the actual value of financial assets and liabilities. Interest swaps are used to minimise the exposure to interest rates.

Liquidity risk

The liquidity risk is the risk that the group cannot meet specific short-term payment obligations.

The group's finance policy prescribes that the liquidity reserve shall be at such a level that the reserve can handle the fluctuations which are expected to occur in the daily liquidity within a six-month period.

To satisfy this requirement, the group has bank overdraft facilities and confirmed credit facilities.

Foreign exchange risk

The foreign exchange risk is the risk that exchange rate changes will have a negative impact on the group's results. The group's currency exposure occurs with inter-company financing and with the translation of external receivables and liabilities and with the translation of the profit and loss statements and balance sheets of foreign subsidiaries to the group's reporting currency (SEK).

The group's currency exposure is divided into transaction exposure (exposure in foreign currencies related to contracted cash flows and balance sheet items where exchange rate changes impact on the results and cash flow) and translation exposure (equity in foreign subsidiaries).

The translation exposure primarily concerns translation from EUR, USD, AUD, CNY and GBP.

Credit risk

The credit risk is the risk that the counterparty in a transaction does not fulfil its contractual obligations and that any guarantees will not cover the company's receivables. For those commercial counterparties with which the group has a large exposure, an individual credit assessment is carried out. The maximum credit risk exposure is equivalent to the posted value of financial assets,

Research and development

The group's development work concerns products within its existing areas of business.

Environmental information

Alimak Hek AB in Skellefteå carries out reportable activities under the Swedish Environmental Code and is required to take precautionary measures, which means that if a benchmark is exceeded, then we must take action to prevent recurrence. This activity is completely dependent on us being able to make emissions in the different areas.

The group's employees

During 2013 the group's average number of employees was 865 (810). At the turn of the year the number of employees totalled 893 (830 as of 31 December 2012).

The increase in the number of employees compared with the earlier period is due to the fact the business has increased in scope. Salaries and payments during the year equalled SEK 370,343 thousand (359,444).

Future prospects

It is thought that the economy will continue to be volatile during 2014 for the group's products and services which will impact on both income and profitability. Taking into account the uncertainty on the markets in which the group operates, it is difficult to assess whether to expect a boom or a recession, but a continuing focus on growth markets and cost reduction is expected to yield positive results.

Appropriation of profits

The group's non-restricted equity as of 31 December 2013 equalled SEK 882,903 thousand (830,687).

Proposal to deal with the parent company's profit;

the Board of Directors proposes that the loss for the year of SEK 26,032,682 together with the profit brought forward of SEK 1,425,049,183, totalling SEK 1,399,016,501, is dealt with in the following way:

Carried forward		1,399,016,501
	Total	1,399,016,501

THE CONSOLIDATED PROFIT AND LOSS STATEMENT

Amounts in SEK thousand	Note	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Income	3	1,517,145	1,498,327
Cost of sold goods		-858,885	-871,942
Gross profit/loss		658,260	626,385
Selling expenses		-199,373	-195,868
Administrative expenses		-151,984	-255,792
Development costs		-39,619	-37,254
Operating profit/loss	4, 5, 6, 11	267,284	137,471
Profit/loss from financial investments			
Financial income	7	15,919	6,150
Financial expenses	8	-88,320	-77,768
Profit/loss before tax		194,883	65,853
Tax	9	-56,614	-30,147
Profit/loss for the year		138,269	35,706
The profit/loss for the period assignable to shareholders in the parent company		138,269	35,706

The group's report of the comprehensive income

Amounts in SEK thousand	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Profit/loss for the year	**138,269**	**35,706**
Other comprehensive income		
Items to be restored to the result		
Translation difference	-28,948	-49,668
Hedging reserve		
Adjusting the initially reported amount of hedged items in the balance sheet	19,087	-12,639
Hedges of net investments in foreign operations	-4,642	—
Tax effect on hedging	1,021	—
Total	-3,621	—
Items to be restored to the profit/loss	*-13,482*	*-62,307*
Items not to be restored to the result		
Pensions	-8,528	-7,257
Tax on pensions	1,876	1,610
Total	-6,652	-5,647
Total comprehensive income for the year	**118,135**	**-32,248**
The comprehensive income for the period assignable to shareholders in the parent company	118,135	-32,248

THE CONSOLIDATED BALANCE SHEET

Amounts in SEK thousand	Note	2013/12/31	2012-12-31	2012-01-01
ASSETS				
Fixed assets				
Intangible assets				
Capitalised expenditure for development work and similar work	10	2,026	3,168	10,728
Goodwill	11	1,552,580	1,560,080	1,593,701
		1,554,606	1,563,248	1,604,429
Tangible assets				
Buildings and land	12	45,693	46,298	67,144
Machinery and other technical plant and machinery	12	47,813	45,174	60,827
Equipment, tools, fixtures and fittings	12	18,481	18,117	18,587
Hired equipment	12	148,766	170,415	296,549
		260,753	280,004	443,107
Other assets				
Deferred income taxes recoverable	17	24,610	48,863	20,696
Other long-term receivables		16,839	20,163	17,366
		41,449	69,026	38,062
Total assets		1,856,808	1,912,278	2,085,598
Current assets				
Inventories etc.				
Raw materials and necessities		101,818	107,078	103,988
Products in progress		74,695	58,767	53,371
Finished products and goods for resale		75,142	81,515	64,431
		251,655	247,360	221,790
Current receivables				
Accounts receivable - trade	14	284,365	243,024	198,766
Tax receivables		1,503	2,010	3,082
Derivatives	16	6,232	26,029	8,245
Other receivables		77,159	41,010	62,374
Prepaid expenses and accrued income	15	18,092	21,278	10,468
		387,351	333,351	282,935
Liquid assets		188,775	191,447	158,250
Total current assets		827,781	772,158	662,975
TOTAL ASSETS		2,684,589	2,684,436	2,748,573

The consolidated balance sheet

Amounts in SEK thousand	Note	2013/12/31	2012-12-31	2012-01-01
EQUITY AND LIABILITIES				
Equity				
Share capital		500	500	100
Other capital contributed		420,233	315,233	315,233
Reserves		-122,234	-87,745	-25,438
Profit brought forward		744,634	795,973 *	1,108,868 *
Profit/loss for the year		138,269	35,706	-229,463
Total equity		1,181,402	1,059,667	1,169,300
Long-term liabilities				
Long-term borrowings	16	713,092	814,547	832,188
Other long-term liabilities	16	11,374	2,684	4,472
Provisions for pensions	18	57,130	51,197 *	39,199 *
Other provisions	19	22,630	23,035	24,067
Deferred tax liability	17	5,229	33,478 *	39,563 *
		809,455	924,941	939,489
Current liabilities				
Short-term part of borrowings	16	132,974	108,366	187,471
Bank overdraft facilities	21	44,728	42,883	77,407
Advance payments from customers		28,549	25,080	14,423
Trade creditors		105,899	136,044	137,740
Tax liabilities		13,625	39,765	11,067
Derivatives	16	10,769	7,523	—
Liabilities to group companies		260,131	235,321	130,164
Other liabilities		32,829	41,999	19,188
Accrued expenses and deferred income	22	64,228	62,847	62,324
		693,732	699,828	639,784
TOTAL EQUITY AND LIABILITIES		2,684,589	2,684,436	2,748,573

* Adjustment of previous year.

For details of the group's pledged assets and any obligations see note 20.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousand	Share equity	Other capital equity	Translation reserve	Cash Flow hedge	Transactions with owners	Balanced earnings including the year's profit/loss	**Total equity**
Closing balance according to according to balance sheet	100	315,233	-18,990	-6,448		887,121	1,177,016
Effect of change in pension debt						-7,716	-7,716
Adjustment of opening balance	100	315,233	-18,990	-6,448	—	879,405	1,169,300
Profit/loss for the year						35,706	35,706
Hedging reserve				-12,639			-12,639
Translation reserve			-49,668				-49,668
Revaluation of pension plans						-5,647	-5,647
Total comprehensive income for the year	—	—	-49,668	-12,639		30,059	-32,248
Bonus issue	400					-400	—
Group contribution					-105,000		-105,000
Tax effect on group contribution					27,615		27,615
Closing equity 31 December 2012	**500**	**315,233**	**-68,658**	**-19,087**	**-77,385**	**909,064**	**1,059,667**

Amounts in SEK thousand	Share equity	Other capital capital	Translation reserve	Cash Flow hedge	Transactions with owners	Balanced earnings including the year's profit/loss	**Total equity**
Input equity 1 January 2013	500	315,233	-68,658	-19,087	-77,385	909,064	1,059,667
Profit/loss for the year						138,269	138,269
Hedging reserve				19,087			19,087
Translation reserve			-28,948				-28,948
Hedging of net investments in foreign operations			-4,642				-4,642
Tax effect on hedging			1,021				1,021
Revaluation of pension plans						-6,652	-6,652
Reclassifications			-21,007			21,007	—
Total comprehensive income for the year	—	—	-53,576	19,087	—	152,624	118,135
Shareholders' contribution		105,000					105,000
Group contribution					-130,000		-130,000
Tax effect on group contribution					28,600		28,600
Closing equity 31 December 2013	**500**	**420,233**	**-122,234**	**—**	**-178,785**	**1,061,688**	**1,181,402**

Hedging reserve

Cash flow hedging comprises the effective portion of the cumulative net change in the real value of a cash flow hedging instrument attributable to hedging transactions that have not yet occurred.

Accumulated translation difference

The translation reserve comprises all foreign exchange differences arising on translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented.

THE CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK thousand	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Current operations		
Profit/loss before tax	194,883	65,853
Items not impacting on cash flow		
Depreciation and disposals	49,616	156,066
Unrealised foreign exchange differences	-1,672	-1,796
Profit for the year from sale of fixed assets	-1,931	3,229
Change in value of derivatives	-15,019	-12,639
Change in provisions for pensions	—	8,025
Change in other provisions	-405	-390
Other profit/loss items not impacting on cash flow	-6,202	4,378
	219,270	222,726
Tax paid	-38,027	-12,531
Cash flow from current operations prior to changes in working capital	181,243	210,195
Cash flow from changes in working capital		
Change in inventories	-4,295	-35,568
Change in operating receivables	-46,271	-50,991
Change in operating liabilities	-22,935	120,550
Cash flow from current operations	107,742	244,186
Investment activity		
Acquisition of subsidiaries	—	-1,171
Acquisition of intangible fixed assets	-263	-1,839
Acquisition of tangible assets	-38,279	-48,335
Disposal of tangible assets	3,223	48,240
Disposal of/reduction in financial assets	3,324	11,526
Cash flow from investment activity	-31,995	8,421
Financing activity		
Loans raised	195,845	12,400
Repayment of loans	-269,137	-121,387
Group contribution paid	—	-105,000
Cash flow from financing activity	-73,292	-213,987
Cash flow for the year	2,455	38,620
Liquid assets at start of the year	191,447	158,250
Price difference in liquid assets	-5,127	-5,423
Liquid assets at end of the year	188,775	191,447

Supplementary disclosures regarding the consolidated cash flow statement

Amounts in SEK thousand	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest paid		
Interest received	5,492	6,211
Interest paid	-48,658	-60,175
Liquid assets		
The following sub-components are included in liquid assets:		
Cash and bank balances	188,775	191,447
	188,775	191,447

The above items are classified as liquid assets on the basis that:

- They have an insignificant risk of value fluctuation.
- They can be easily converted to cash.
- They have a maximum maturity of 3 months or less from acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amounts in SEK thousand unless otherwise indicated

1. Accounting principles

General information

Kamila Holding AB, corp. ID no. 556709-1581 carries on business in the legal form of a limited company and its registered office is in Stockholm, Sweden.

The registered office address is Brunkebergstorg 5, 3 tr, 111 51 Stockholm.

The consolidated annual financial statements for Kamila Holding AB for the 2013 financial year were approved by the Board for issue on 31 March 2014. The consolidated financial statements will be finally adopted by the annual general meeting of the parent company on 31 March 2014.

The financial statements are prepared on the basis of historical acquisition cost. Financial assets and liabilities are recognized at accrued acquisition value, except for certain financial assets and liabilities which are valued at their real value. Financial assets and liabilities measured at fair value consist entirely of derivatives.

The parent company's functional currency is Swedish kronor which is also the reporting currency for the parent company and group. This means that the financial reports are presented in Swedish kronor.

Basis for the preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Accounting Standards Council's recommendation RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU.

The parent company's annual financial statements are prepared in accordance with the Swedish Annual Financial Statements Act and the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities, and statements from the Swedish Financial Standards Council.

The following accounting policies have been, unless otherwise stated, applied consistently in all periods presented in these consolidated financial statements.

New standards and interpretations

The following new and amended standards and interpretations have come into force and apply for the 2013 financial year:

Standards effective as of 1 January, 2013 according to the EU

Amendment to IAS 1 Presentation of Financial Statements (Amendments relating to other comprehensive income).

Amendment to IAS 19 Employee Benefits (amendment to the effect that the "corridor approach" is removed).

Amendment to IAS 36 Impairment of Assets (amendment to the effect that the requirement to disclose the recoverable amount for all cash-generating units to which goodwill has been allocated, which was introduced in connection with the introduction of IFRS 13 Real Value Measurement, are removed. Instead, additional disclosure requirements are introduced about fair value when the recoverable amount of an impaired asset is based on real value less costs to sell.

The change will apply from 1 January 2014, but the company has elected to early-adopt the amendment in 2013.

Changes in IFRS 7 Financial instruments: Disclosures (Amendments relating to information related to the off-setting of assets and liabilities).

IFRS 13 Measurement at fair value (new standard which provides guidance for fair value measurements for all kinds of assets and liabilities).

Amendments to IAS 1 Presentation of financial statements require additional disclosures in other comprehensive income so that the items in other comprehensive results are grouped into two categories:

a) items which will not be transferred to the results and

b) items which will be transferred to the results if certain criteria are fulfilled.

This has new headings and sub-totals incorporated in other comprehensive income.

The amendments to IAS 19 alter the reporting of defined benefit pension plans and benefits upon notice of termination. The most important changes concern the reporting of defined benefit obligations and administrative assets.

The changes require that actuarial profits and losses are reported immediately via other comprehensive income, which means that the corridor method is discarded.

No other new and amended standards and interpretations have any substantial impact on the group's 2013 financial reports.

The International Accounting Standards Board (IASB) has published the following new and amended standards which are yet to come into force:

Standards effective after 1 January, 2013 according to the EU

IFRS 9 Financial Instruments and subsequent changes to IFRS 9 and IFRS 7 – unclear when this enters into force

"Corporate Package" (IFRS 10 Consolidated Financial Statements, IFRS 11 Cooperation Arrangements, IFRS 12 Disclosure of interests in other companies and the revised versions of IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and joint ventures) enters into force on 1 January 2014.

The Company's assessment is that these new standards and amendments will not affect the financial statements as they appear in the current situation, but that they will involve additional disclosure requirements.

IFRS Interpretations Committee has not published any new or revised interpretations whose entry into force are expected to affect the company.

The new and amended standards and interpretations that have not come into force, have not yet been applied.

The company management's assessment is that the aforementioned new and amended standards and interpretations when applied from 2014 will not have any substantial impact on the consolidated financial statements. The company's management is currently analysing the impact of the other new and amended standards and interpretations.

Estimates

In order to prepare the consolidated financial statements in accordance with IFRS, certain accounting estimates must be made. The Board of Directors also makes its assessment by applying the group's accounting principles. Those areas where estimates and assessments are significant for the group are listed under "Important estimates and assessments for accounting purposes".

Consolidated financial statements

The consolidated annual financial statements include Kamila Holding AB and all its subsidiaries. Subsidiaries are companies in which the parent company directly or indirectly owns more than 50% of the votes or has a controlling influence over the operational and financial activities in another way. Subsidiaries are reported in accordance with the acquisition method.

The acquisition value for an acquisition is the actual value at the time of acquisition of assets which are provided as payment and accrued or liabilities taken over, acquisition costs are not included in the acquisition value. An acquisition analysis is prepared when control is obtained. Acquired identifiable assets and liabilities and contingent liabilities are assessed at their actual value.

The difference between the total purchase price, the value of minorities and the actual value of previous holdings and the actual value of acquired identifiable assets, liabilities and contingent liabilities are reported as goodwill. If there is a negative difference, the difference is reported directly in the profit and loss statement.

The minority share is reported either as a proportional share of the acquired net assets or at the actual value which is assessed with the respective acquisition. The additional purchase price is reported initially at the assessed actual value with subsequent changes reported in the profit and loss statement.

In the case of gradual acquisition, the acquisition analysis is prepared at the time control is obtained. The effect of the reassessment of previously owned shares is reported in the profit and loss statement. With the acquisition or disposal of minority shares, i.e. when the subsidiary is still controlled, this is reported as changes within equity.

The group’s consolidated profit and losses the profit and loss statements for the parent company and its directly or indirectly owned subsidiaries after elimination of inter-company transactions, unrealised group profits and depreciation of acquired surplus values.

From the time of acquisition, until the time when the controlling influence ceases, included in the consolidated financial statements are the acquired company’s revenue and expenses, identifiable assets and liabilities as well as any accrued goodwill.

Translation of foreign currencies

The consolidated financial statements are prepared in Swedish kronor, which is the parent company’s functional currency and the group’s reporting currency. The balance sheets for foreign subsidiaries have been translated to Swedish kronor using the exchange rate on the balance sheet date. The profit and loss statement has been translated at the average exchange rate for the year. Exchange rate differences which occur during the translation of foreign subsidiaries are reported in other comprehensive income and are accumulated in the conversion reserve in own equity.

Transactions in foreign currencies are translated to the functional currency using the exchange rate on the transaction day. Monetary assets and liabilities which are expressed in foreign currencies are translated to the functional currency using the rate on the balance sheet date. Such exchange rate differences are reported in the profit and loss statement. Non-monetary assets and liabilities which are reported at their historical acquisition value are translated using the exchange rate which applied at the time of the transaction.

Reporting of revenue

Income is recognised when it is probable that the future economic benefits will accrue to the company and these benefits can be calculated in a reliable way.

The income includes only the gross inflows from economic benefits which the company receives or can receive for its own account. Income from the sale of goods is reported as income when the group has transferred to the buyer the essential risks and benefits which are associated with ownership of the goods and when the company does not retain any commitments in the current administration which is generally associated with ownership and the group exercises no control or no real control over the goods which have been sold.

Revenue for services are reported in the period in which the work is carried out.

The income is reported at the actual value of what has been received or will be received with deductions for discounts granted.

Intangible assets

Capitalised expenditure for development work and similar work

Only those expenses which are directly attributable to the development of new products are capitalised. Expenses connected with the development phase are reported as an intangible asset from the time the expenses are likely to lead to future economic benefits, which is the time when the company's management assesses that it is technically possible to complete the intangible asset, the company has the intention and the requirements to complete it and use or sell it, there are adequate resources to complete development and sale and remaining expenses can be calculated in a reliable way.

Capitalised development expenses are depreciated over the useful life which is assessed as being 5 years, in accordance with the straight-line method If there are research expenses then these are carried as expenses directly.

Trademarks and licences are reported as intangible assets at their acquisition value after deduction of accumulated depreciation and write-downs.

The costs of renewing licences are carried as an expense on an ongoing basis. Depreciation is applied in a straight line over the asset's useful life and reported as costs in the profit and loss statement.

Computer programs are reported at their acquisition value and include directly assignable expenses for completing the asset for its intended use. The acquisition value is depreciated over the calculated useful life. Expenses for maintaining the computer programs are carried as an expense on an ongoing basis as they occur.

The following depreciation periods have been applied:

Capitalised expenditure for development work and similar work	5 years

Impairment losses

Assets with a undefinable period of use that are not ready for use, are not amortized but are tested annually for any need for write-down. If there is any indication that an asset may have been impaired, the group determines the assets recoverable value. The recoverable value refers to the higher of an asset's fair value, less costs to sell and it's value in use. The assets are written down by the amount at which the asset's stated value exceeds its recoverable value.

Goodwill

Group goodwill is the difference between the total purchase price, the value of minorities and the actual value of previous holdings and the actual value of acquired identifiable assets, liabilities and contingent liabilities reported as goodwill. If there is a negative difference, the difference is reported directly in the profit and loss statement.

Goodwill is reported at the acquisition value with deductions for any write-downs.

Goodwill is monitored on an ongoing basis and assessed annually, or more often if necessary, with regard to the need for write-downs. Goodwill is divided into cash-generating units which are expected to use the acquisition.

Tangible assets

Tangible assets refer primarily to machinery, hired equipment and other equipment. Tangible assets are reported at their acquisition value after deductions of depreciation and any write-downs. The acquisition value includes the acquisition price and directly assignable costs. Future expenses are reported as a separate asset.

Depreciation is applied in a straight line over the asset's useful life and reported as costs in the profit and loss statement.

The following depreciation periods have been applied:

Buildings	25-50 years
Hired equipment	8-12 years
Machinery and other technical plant and machinery	5-10 years
Equipment, tools and fixtures and fittings	3-10 years

Impairment losses

The recognised values are tested on each balance sheet day to ascertain whether there is a write-down requirement. Where an indication of a need for write-down exists, the asset's recoverable amount is calculated. The recoverable amount is the higher of fair value less costs to sell and value in use. A depreciation is recognized when an asset or cash-generating unit's (or group of units') carrying amount exceeds the recoverable amount.

Financial instruments

Financial instruments are valued and recognised in consolidated accounts in accordance with the rules in IAS 39. Financial instruments are initially reported at their acquisition value corresponding to the actual value with additions for transaction costs except for those financial instruments which belong to the category financial assets or liabilities which are reported at their actual value via the profit and loss statement. Reporting takes place thereafter depending on how the financial instrument has been classified in accordance with below.

For derivative instruments and the purchase and sale of money market and capital market instruments on the spot market, trade date reporting is applied. Other financial assets and financial liabilities are reported in the balance sheet when the company becomes party to the instrument's contractual conditions.

Accounts receivable are entered in the balance sheet when invoices have been issued. Liabilities are entered when the counterparty has performed the service and there are contractual liabilities to pay, even if invoices haven't yet been received. Trade creditors are entered when the invoices are received. A financial asset is removed from the balance sheet when the entitlements in the agreement have been realised, fall due or the company loses control over them. The same applies for parts of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is performed or has expired in another way. The same applies for parts of a financial liability.

Financial instruments are reported at the accrued acquisition value or actual value depending on the initial categorisation under IAS 39.

Hedges of net investments in foreign operations

For derivative instruments in foreign currency as a hedging instrument in a hedge of net investments in foreign operations, the effective portion of the change in value is recognized in Other comprehensive income, while the ineffective part is reported immediately in the profit and loss statement. The changes in value that are recognized in Other comprehensive income are transferred to the profit or loss account at a later stage when the foreign operation is disposed of. Hedging of net investments is applied when the currency futures in foreign currencies are used to hedge the currency risk of the Company's investments in foreign subsidiaries.

Calculation of the actual value of financial instruments

When determining the actual value of short-term investments, derivative instruments and borrowings, the official quotations at the end of the accounting period are used. In the event that such quotations are not available, the assessment is made using generally accepted methods such as discounting of future cash flows at the listed market rate for the respective term. Translation to Swedish kronor is carried out using the listed exchange rate at the end of the accounting period.

Accrued acquisition value

The accrued acquisition value is calculated using the effective rate method, which means that any premiums or discounts and directly assignable costs or revenue are allocated over the term of the agreement using the calculated effective rate. The effective rate is the rate which provides the instrument's acquisition value as a profit or loss with the current value calculation of future cash flows.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported with a net amount in the balance sheet when there is a legal entitlement to offset and when the intention is to adjust the items with a net amount or to realise the assets at the same time and adjust the liability.

Liquid assets

Liquid assets comprise cash in financial institutions and short-term liquid investments with a term from the point of acquisition less than three months, which is exposed to only an insignificant risk of value fluctuations. Liquid assets are reported at their nominal amounts.

Financial investments

Financial investments are comprised of either financial fixed assets or short-term investments depending on the intention of ownership. If the term or the expected period of holding them is longer than one year, they are financial fixed assets and if it is less than one year they are classified as short-term investments.

Accounts receivable – trade

Accounts receivable (trade) are categorised as "loan receivables and accounts receivables" and are reported at the accrued acquisition value. The term of accounts receivable (trade) is short, which is why the value is reported at its nominal amount without discounting. Doubtful accounts receivable are assessed individually and any write-downs are reported in the operating expenses. Indications of a need to write down an accounts receivable may exist when the customer has outstanding or delayed payments.

Long-tern receivables and other receivables

Long-term receivables and other receivables are receivables which occur when the company supplies funds without the intention of trading with the receivable entitlement. If the expected period of holding them is longer than a year, they comprise long-term receivables and other receivables if shorter. These receivables are categorised in accordance with IAS 39 as "loan receivables and accounts receivable". Assets within this category are assessed at the accrued acquisition value.

The asset's value is checked for any need to write down if there are indications that the reported value of the asset is less than the accrued acquisition value. A write-down is reported in operating expenses.

Derivative instruments

Derivative instruments comprise currency forward agreements and interest agreements which are used to cover the risks of exchange rate and interest rate fluctuations. Currency exposure regarding future forecast flows are hedged primarily by exchange forwards.

The effective part of the change of the actual value which is identified and qualifies as cash flow hedging is reported in other comprehensive income. The profit or loss which is assignable to the ineffective part is reported immediately in the profit and loss statement. Accumulated amounts in equity are transferred to the profit and loss statement during the same periods in which the hedged items impact on the results. When a future transaction is no longer expected to occur, the accumulated profit or loss which exists in equity is reported directly in the profit and loss statement.

Hedging of actual values is reported in the profit and loss statement together with any changes in the actual value of the hedged asset or liability which is assignable to the hedged risk.

If hedging no longer fulfils the criteria for hedging reporting, the reported amount is adjusted for the hedged item, for which the effective interest rate method is used, and allocated to the result over the remaining period. Changes in the value of derivatives which do not fulfil the criteria for hedging reporting are reported immediately in the profit and loss statement.

Trade creditors

Trade creditors are categorised as other liabilities and reported at their accrued acquisition value.

The expected term of trade creditors is short, which is why the liability is reported at its nominal amount without discounting.

Financial liabilities which are included in the actual value via the profit and loss statement

Liabilities to banks, bank overdraft facilities and other liabilities are categorised as other liabilities and assessed at their accrued acquisition value. Financial liabilities which are included at actual value are reported at the actual value regarding the hedged risk components and value changes are reported as other interest income or other interest expenses.

Leasing

The group as lessor

The equipment used in the Group's rental business is owned by Alimak Hek Finance AB and is leased out through operational lease agreements to companies within the Group, which rent the equipment to the end customer. Lease payments received are allocated and reported as revenue in a straight line over the term of the lease agreement.

Inventories

Inventories are included at the acquisition value or net sale value, whichever is lowest, in accordance with the first-in, first-out principle. The risk of obsolescence has been taken into account. In semi-finished and finished goods produced by the company, the acquisition value comprises direct costs of production and a reasonable proportion of indirect costs.

Taxes

Income tax comprises current and deferred tax. Income tax is reported in the profit and loss statement except where the underlying transaction is reported via other total income or directly against equity whereby associated tax effects are reported via other comprehensive income or in equity.

Current tax is tax which must be paid or received in the current year. This also includes adjustments of current tax attributable to previous periods.

Deferred tax must be reported in accordance with the balance sheet method which is paid from temporary differences between reported and tax values of assets and liabilities. Deferred tax is not reported for temporary differences which arose with the first reporting of goodwill, the first reporting of assets and liabilities which are not operating acquisitions and at the time prior to the transaction do not impact on either the reported or tax result, and temporary differences assignable to shares in subsidiaries which are not expected to be recovered in the foreseeable future. The assessment of deferred tax is based on how the reported value of assets and liabilities is expected to be realised or adjusted. Deferred tax is calculated by applying the tax regulations and tax rates which have been adopted or adopted in practice on the balance sheet date.

Deferred tax receivables are reported for deductible temporary differences and unutilised loss carry-forwards, to the extent it is probable that there will be future taxable profits. The reported value of the deferred tax receivables is checked on each balance sheet date and reduced to the extent that it is no longer probable that they can be utilised.

Pensions

The group has different pension plans in accordance with the local conditions and prevailing practice in those countries in which the company operates.

The group has both defined benefit and defined contribution plans.

In a defined benefit plan, it is the company which bears the risk for providing the agreed compensation. In a defined contribution plan, the company has no obligation other than paying the agreed fees to the plan.

Defined benefit pensions

The Group has defined benefit plans for employees who are not fully secured by subscription of retirement pensions, so-called, self-pension plans. The Company's future obligations to pay pensions have a capital value determined for each employee by e.g. the pension level, age and the extent to which a full pension has been earned. The capital value is the present value of the company's future obligation to pay pensions and has been calculated according to calculated according to an actuarial basis. The salary and pension levels prevailing at the balance sheet date have been the basis for the calculation of the capital value.

The technical basis for calculating the capital value is the basis established by the Financial Supervisory Authority (FI) FFFS 2007:4, which includes return assumptions.

Where interest assumptions are changed, the effect of the change influenced the result at the time that the change occurred or alternatively by calculation of the capital value according to the public pension plan. In addition to the capital value of the pension obligations, additional amounts have been allocated as a reserve for future payments of pension supplements corresponding to inflation. For the ITP plan, the Pension Registration Institute (PRI) calculates which provisions must be made. The pension liability is recognized in the balance sheet under pensions.

The annual pension costs, including over/under provision for pension purposes has reduced the operating result. Over/under provision for pension purposes has not reduced net income when the corresponding provision/dissolution recognised among the company's appropriations. Interest on capital value is recognized in finance costs.

Defined pension contribution plans

The Company's obligation for each period is the amount that the company will contribute for the current period.

Consequently, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss.

The obligation is calculated without discounting, unless it does not fall due for payment in its entirety within 12 months after the end of the period during which the employees render the related services.

Provisions

In the group, provisions are made for obligations (legal or informal) based on events which have occurred which are known or can be estimated reliably but the maturity date is uncertain.

Provisions for guarantee commitments are made based on known but unregulated guarantee commitments. The amounts recognised as provisions should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When the effect of payment timing is material, provisions are determined by discounting the expected future cash flow.

Contingent liabilities

Contingent liabilities are recognized when there is a possible obligation that arises from past events and whose existence is only confirmed by one or more uncertain future events or when there is a liability that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

Important estimates and assessments for accounting purposes

In order to prepare the group financial statements in accordance with generally accepted accounting principles, estimates and assessments must be made which affect the reported values of assets and liabilities, information regarding contingent liabilities and lodged securities on the date which the group consolidated accounts are prepared and the reported values for income and costs for the reporting period. Estimates and assessments are made on an ongoing basis.

The group's most important estimates and assessments are;

Checking the need for write-downs for fixed assets

All fixed assets including goodwill are checked every year, or more often as required, with regard to the need for any write-downs or if events and changes occur which indicate that the reported value of an asset cannot be recovered. An asset whose value is reduced is written down to the recovery value which can be either the market value or the value in use.

Various foundations for assessment have been used depending on the access to information. An estimation of the recovery value has been made by applying the current computation of the cash flow based on expected future outcomes. Differences in the estimation of expected future outcomes and the discount rates which are used can result in deviations in the assessment of the assets.

Income tax and deferred taxes

When preparing the financial statements, the groups calculates the income tax for each legal tax entity where the group is active, and the deferred taxes which are assignable to temporary differences or loss carry-forwards.

Regarding the capitalisation of loss carry-forwards, an assessment is made regarding how much within which time frame can be offset against future taxable profits.

Pensions

The calculation of benefit-based pensions requires an assumption of how the salary and interest rates will develop in the future. The long term for pensions for these pension plans means the degree of uncertainty in these assumptions is high and that there may be adjustments in the future which impact on future liabilities and costs.

Inventories

Inventories are reported at the acquisition value or net sale value, whichever is the lowest. Reserves required are provided for obsolescence in accordance with the company's policy.

Receivables

Receivables are reported as the amount which has been calculated will be received. At the end of the accounting period, an individual check of the need for a write-down is carried out. The need for a write-down is primarily assessed based on the customer's assessed ability to fulfil its obligations.

2. Financial risk management

The group is exposed to risk related to the order book, liquid assets, accounts receivable, trade creditors and loans taken out. There is exposure to both interest rate and foreign exchange risk. The interest rate risk mainly applies to external loans. In addition to this, the group has a financing risk in connection with the refinancing of existing loans. The group has adopted a financing policy which governs how the effects of the aforementioned exposure can be minimised.

The company's and the group's loan agreements with banks contain specific conditions, so-called covenants. These covenants comprise the following key financial figures for the Kamila Holding Group:

- the group's operating profit/loss before depreciation related to net debt and to interest payments and amortisation.
- The Group's net debt in relation to equity.

Interest rate risk

The interest rate risk is the risk that changes in the market interest rates will impact on cash flow or the actual value of financial assets and liabilities. Interest swaps are used to minimise the exposure to interest rates.

Liquidity risk

The liquidity risk is the risk that the group cannot meet its short-term payment obligations.

The group's finance policy prescribes that the liquidity reserve shall equal such a level that the reserve can handle the fluctuations which are expected to occur in daily liquidity within a six-month. time period.

To satisfy this requirement, the group has bank overdraft facilities and confirmed credit facilities. See note 16 for term analysis for financial assets and liabilities.

Foreign exchange risk

The foreign exchange risk is the risk that exchange rate changes will have a negative impact on the group's results. The group's currency exposure occurs with inter-company financing and with the translation of external receivables and liabilities and with the translation of the profit and loss statements and balance sheets to the group's reporting currency (SEK).

The group's currency exposure is divided into transaction exposure (exposure in foreign currencies related to contracted cash flows and balance sheet items where exchange rate changes impact on the results and cash flow) and translation exposure (equity in foreign subsidiaries).

The foreign exchange risk is measured as the impact on the operating profit/loss and equity based on exchange rate movements. The result of these estimates is reported annually to the Board of Directors for Alimak Hek Group AB.

The group's foreign exchange risk is managed by means of forward covering of the exposed net flow. The translation exposure primarily concerns translation from EUR, USD, AUD and GBP.

Sensitivity analysis regarding market risk

		Change	Impact on the year's profit/loss	Impact on equity
Market interest rates	1)	1%	6,236	6,236
Exchange rates		10%	1,577	108,357
EUR			-4,458	13,791
USD			4,412	78,824
AUD			1,168	15,221
Other			250	2,287
Translation difference			205	-1,766
			1,577	108,357

1) here, a change in the interest rate is indicated as a percentage.

The impact indicated above concerns the situation where all foreign currencies and exchange rates change in the same direction.

Credit risk

The credit risk is the risk that the counterparty in a transaction does not fulfil its contractual obligations and that any guarantees will not cover the company's receivables. Maximum credit exposure is equal to the posted value of financial assets, Taking into account the group's spread of customers and therefore risks and that customers are active within different market segments and geographical areas, the general underlying credit risk is assessed as low. Individual credit assessments are made for larger exposures.

Maximum credit exposure is in accordance with the following;

	2013/12/31	2012/12/31
Other long-term receivables	16,839	20,163
Accounts receivable - trade	284,365	243,024
Derivatives	6,232	26,029
Other receivables	77,159	41,010
Cash and bank balances	188,775	191,447
Total	573,370	521,673

Exchange rates

Profit and loss statements for subsidiaries whose currency is not SEK are translated at the time of consolidation to SEK at the average rate for the year. The balance sheet is translated using the rate on the balance sheet date.

Currency		Average rate 2013	Rate on balance sheet date 31.12.2013
AED		1.78	1.75
AUD		6.31	5.76
BRL		3.03	2.78
CAD		6.33	6.07
CNY		1.06	1.07
EUR		8.65	8.94
GBP		10.19	10.73
INR		0.11	0.10
KRW	(1000)	5.95	6.18
SGD		5.21	5.13
USD		6.51	6.51

3. Income

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Income per operating area		
Construction	242,519	279,256
Industrial	496,400	447,688
Rental	263,369	267,606
After Sales	514,857	503,777
	1,517,145	1,498,327
Income per geographical market		
Sweden	56,256	46,463
Other Europe	474,191	440,351
Asia	211,431	402,339
USA	379,044	332,177
Other markets	396,223	276,997
	1,517,145	1,498,327

4. Number of employees and payments to employees

Average number of employees	2013-01-01 -2013-12-31	*of which men*	2012-01-01 -2012-12-31	*of which men*
Sweden	308	89%	294	80%
Holland	44	93%	44	93%
Belgium	3	100%	3	100%
France	47	88%	46	88%
England	57	90%	50	93%
German	29	86%	29	86%
Italy	10	90%	11	90%
Korea	11	82%	11	82%
Singapore	13	69%	12	69%
Malaysia	10	79%	9	83%
Australia	71	94%	65	95%
USA	92	85%	95	85%
China	151	79%	126	78%
India	11	91%	6	83%
Brazil	8	86%	9	88%
Group in total	865	87%	810	81%

The group's gender division in managerial positions	2013/12/31 Proportion of women	2012/12/31 Proportion of women
Board of Directors	2%	2%
Other management post holders	8%	7%

Salaries, other payments and social security costs

	2013-01-01-2013-12-31		01/01/2012-31/12/2012	
	Salaries and payments	Social security costs	Salaries and payments	Social security costs
	370,343	110,155	359,444	100,998
		(22,933)		*(21,309)*
Group in total	370,343	110,155	359,444	100,998
(of which pension costs)				
	1)	*(22,933)*	*1)*	*(21,309)*

1) Of the group's pension costs, 2,706 (1,855) concern the group's Board of Directors and CEO in all companies. The group's outstanding pension commitments to the latter amount to 0 (0).

2) Notice from the CEO is 6 months and 12 months from the company. The CEO is entitled to severance pay equivalent to 12 months' fixed salary.

Salaries and other payments divided between members of the Board of Directors and other employees

	2013-01-01-2013-12-31		01/01/2012-31/12/2012	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Subsidiaries in Sweden	**6,830**	**124,885**	**5,534**	**112,328**
(of which bonus etc.)	(1,202)	(1,509)	(858)	(1,569)
Subsidiaries abroad	**14,693**	**223,935**	**16,291**	**225,291**
(of which bonus etc.)	(2,544)	(5,639)	(1,975)	(4,543)
Subsidiaries in total	**21,523**	**348,820**	**21,825**	**337,619**
(of which bonus etc.)	(3,746)	(7,148)	(2,833)	(6,112)
Group in total	**21,523**	**348,820**	**21,825**	**337,619**
(of which bonus etc.)	(3,746)	(7,148)	(2,833)	(6,112)

Payments to holders of management posts

2012-01-01 2012-12-31	Basic salary	Variable payments	Other benefits	Pension-costs	Total
CEO	810	450	—	284	1,544
Former CEO	1,152	60	7	186	1,405
Other management post holders (7)	8,477	179	398	2,396	11,450
Members of the Board of Directors	500	—	—	—	500
	10,939	689	405	2,866	14,899

2013-01-01 31/12/2013	Basic salary	Variable payments	Other benefits	Pension-costs	Total
CEO	3,248	486	—	1,134	4,868
Other management post holders (7)	9,253	2,943	770	3,523	16,489
Members of the Board of Directors	963	—	—	—	963
	13,464	3,429	770	4,657	22,320

Comments on the table

- Variable remuneration concerns expensed bonus, paid out over the next year.
- Other benefits comprise travel benefits and a company car.

Salaries, other payments and social security costs divided by function

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Selling expenses	121,296	116,966
Administrative expenses	77,976	75,014
Development costs	26,352	24,325
Cost of sold goods	254,874	244,137
	480,498	460,442

5. Fees and costs for auditors

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Deloitte		
Audit assignment	—	3,471
Audit activities in addition to the audit assignment	—	663
Tax advice	—	103
Other services	—	83
	—	4,320

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Ernst & Young		
Audit assignment	2,982	—
Audit activities in addition to the audit assignment	32	—
Tax advice	285	—
Other services	138	—
	3,437	—

The audit assignment concerns the auditor's payment for a statutory audit. The work includes examining the annual financial statements and accounting records, the administration by the Board of Directors and CEO and fees for audit advice provided in connection with the audit assignment.

The audit activities in addition to the audit assignment concern quality assurance work. In accordance with the definition in the Swedish Auditor's Act, audit activities are partly an examination of the administration, articles of association, regulations and agreements and shall result in a report, testimonial or some other document which is intended for someone other than the client, and partly advice or other assistance required on account of observations associated with an examination assignment (2 § 8 of the Swedish Auditor's Act). Other services concern any guidance given which is not associated with any of the previously listed types of service.

6. Depreciation

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Scheduled depreciation allocated per asset		
Capitalised expenditure for development work and similar work	1,468	929
Buildings and land	3,170	4,605
Machinery and other technical plant and machinery	11,085	14,873
Equipment, tools and fixtures and fittings	3,848	4,558
Hired equipment	30,045	51,322
	49,616	76,287
Scheduled depreciation allocated per function		
Cost of sold goods	40,746	62,061
Selling expenses	2,599	2,639
Administrative expenses	4,175	9,562
Development costs	2,096	2,025
	49,616	76,287

7. Financial income

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Income from interest	1,579	1,890
Exchange gains	14,340	4,260
	15,919	6,150

8. Financial expenses

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest charges	-65,251	-67,269
Exchange rate losses	-23,069	-10,499
	-88,320	-77,768

9. Tax

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Current tax	-61,489	-60,069
Deferred tax	4,875	29,922
	-56,614	-30,147

Reconciliation of effective tax

Profit/loss before tax	194,883	65,853
Tax in accordance with the valid tax rate for the parent company 22% (26.3%)	-42,874	-17,319
Difference in tax rates in other countries	-12,080	-9,720
Differences for changed tax rate from 26.3% to 22% in Sweden	—	1,020
Change in reported deferred tax on loss carry-forwards	-3,140	-340
Non-deductible costs	-7,887	-6,452
Non-taxable income	888	3,088
Adjustment of previous year's tax costs	8,970	-233
Other	-491	-191
Reported effective tax	-56,614	-30,147

10. Capitalised expenditure for development work and similar work

	2013/12/31	2012/12/31
Accumulated acquisition values		
At the start of the period	12,707	13,892
New acquisitions	263	1,839
Acquisitions, disposals etc.	-286	-2,788
Exchange rate differences for the period	173	-236
	12,857	12,707
Accumulated depreciation		
At the start of the period	-9,539	-3,164
Acquisitions, disposals etc.	286	-5,558
Scheduled depreciation for the year	-1,468	-929
The year's exchange rate differences	-110	112
	-10,831	-9,539
Reported value at end of the period	2,026	3,168

11. Goodwill

	2013/12/31	2012/12/31
Accumulated acquisition values		
At start of the year	1,774,192	1,807,813
The year's exchange rate differences	-7,500	-33,621
	1,766,692	1,774,192
Accumulated write-downs		
At the start of the period	-214,112	-214,112
	-214,112	-214,112
Reported value at end of the period	1,552,580	1,560,080

Goodwill has an undefinable period of use to a book value of SEK 1,552,580 thousand as of 31 December 2013.

Testing for a write-down requirement for goodwill is performed annually and when there are indications of the existence of a write-down requirement. The recoverable amount for cash-generating units is determined on the bases of calculating the utilisation value.

The calculation is based on estimated future cash flows based on the budget for the coming financial year.

Based on this budget and expectations about market development in the years that follow, a forecast is produced for the following four years. Key assumptions in calculating the expected cash flow is revenue growth, operating margin and investment and working capital requirements.

For growth, it has been assumed that there will be an increase in line with market growth of about 4%, except in cases where a strategic initiative to increase growth is planned. The development of the operating margin is based on the cost of goods sold and operating expenses in relation to sales. Assumptions are also based on the effects of the group's long-term strategic initiatives, which e.g. include group-wide purchasing and product development.

To extrapolate cash flows beyond the first five years, a growth rate of 2% has been used for all units

Goodwill divided over the group's cash-generating units identified by country;

	12/31/2013	12/31/2012
Sweden	943,887	943,887
USA	436,036	436,572
Belgium	47,398	45,670
Australia	61,045	71,720
Great Britain	25,759	25,178
France	28,618	27,574
German	9,837	9,479
	1,552,580	1,560,080

The assumption which the write-down test is most sensitive to is the company's degree of earnings, which is the deciding factor for whether a write-down is needed or not.

There was no need for a write-down in 2013 and reasonable changes in the assumptions made regarding volume, discount rate and results have no additional write-down requirement.

The discount rate used was 8.55% before tax (6.52).

12. Tangible assets

2012-01-01 - 2012-12-31	Buildings and land	Machinery and other technical equipment	Inventories tools and tools	Hired equipment	**Total**
Accumulated acquisition values					
At start of the year	94,862	135,076	43,486	529,066	802,490
New acquisitions	1,330	10,026	4,644	32,335	48,335
Acquisitions and disposals etc.	-20,995	-33,277	-3,548	-130,295	-188,115
Reclassifications	—	-654	654	—	—
The year's exchange rate differences	-1,563	-973	-1,384	-11,766	-15,686
	73,634	110,198	43,852	419,340	647,024
Accumulated depreciation					
At start of the year	-27,718	-74,249	-24,899	-232,517	-359,383
Acquisitions and disposals etc.	4,596	23,509	2,608	34,516	65,229
Scheduled depreciation for the year	-4,605	-14,873	-4,558	-51,322	-75,358
The year's exchange rate differences	391	589	1,114	398	2,492
	-27,336	-65,024	-25,735	-248,925	-367,020
Reported value at end of the period	46,298	45,174	18,117	170,415	280,004

01/01/2013 - 31/12/2013	Buildings and land	Machinery and other technical equipment	Inventories tools and tools	Hired equipment	**Total**
Accumulated acquisition values					
At start of the year	73,634	110,198	43,852	419,340	647,024
New acquisitions	2,431	18,988	4,682	12,178	38,279
Acquisitions and disposals etc.	—	-14,391	-2,818	-75,559	-92,768
The year's exchange rate differences	422	197	-231	-3,033	-2,645
	76,487	114,992	45,485	352,926	589,890
Accumulated depreciation					
At start of the year	-27,336	-65,024	-25,735	-248,925	-367,020
Acquisitions and disposals etc.	—	8,903	2,368	72,625	83,896
Scheduled depreciation for the year	-3,170	-11,085	-3,848	-30,045	-48,148
The year's exchange rate differences	-288	27	211	2,185	2,135
	-30,794	-67,179	-27,004	-204,160	-329,137
Reported value at end of the period	45,693	47,813	18,481	148,766	260,753

Future leasing fees in the group are divided up as follows;

2012-01-01 — 2012-12-31	Financial leasing	Current value of future leasing fees
Within one year	39,209	38,371
Between one and five years	55,210	52,145
Total	94,419	90,516

In June 2013, the Group bought out all the equipment previously leased from Handelsbanken. After the purchase, the Group no longer has any commitments relating to future lease payments.

13. Financial assets and liabilities.

Financial assets	Book value 2013	2012	Fair value 2013	2012
Long-term receivables	16,839	20,163	16,839	20,163
Accounts receivable - trade	284,365	243,024	284,365	243,024
Derivatives	6,232	26,026	6,232	26,026
Other financial receivables	95,251	62,288	95,251	62,288
Liquid assets	188,775	191,447	188,775	191,447
Total	591,462	542,948	591,462	542,948

Financial liabilities	Book value 2013	2012	Fair value 2013	2012
Long-term liabilities to banks	724,466	817,231	724,466	817,231
Short-term liabilities to banks	132,974	108,366	132,974	108,366
Bank overdraft facilities	44,728	42,883	44,728	42,883
Trade creditors	105,899	136,044	105,899	136,044
Derivatives	10,769	7,523	10,769	7,523
Other financial liabilities	357,188	340,167	357,188	340,167
Total	1,376,024	1,452,214	1,376,024	1,452,214

				Amounts covered by framework agreements for offsetting or similar agreement*		
12/31/2012	Gross amount	Offset amount	Net amount on balance sheet	Financial instruments	Financial security, obtained/lodged	Net amount
Derivative assets	26,026	—	26,026	-7,523	—	18,503
Derivative liabilities	7,523	—	7,523	-7,523	—	0

				Amounts covered by framework agreements for offsetting or similar agreement*		
12/31/2013	Gross amount	Offset amount	Net amount on balance sheet	Financial instruments	Financial security, obtained/lodged	Net amount
Derivative assets	6,232	—	6,232	6,232	—	0
Derivative liabilities	10,769	—	10,769	6,232	—	4,537

* These financial assets and liabilities are offset only in case of insolvency or payment default by either party.

During the financial year, no financial assets or financial liabilities were reclassified between the assessment categories below.

Financial assets and financial liabilities valued at their current value

2012-01-01-2012-12-31 Financial assets	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	26,029	—	26,029
Total	—	26,029	—	26,029

2012-01-01-2012-12-31 Financial liabilities	Level 1	Level 2	Level 3	Total
Interest rate derivatives	—	7,523	—	7,523
Total	—	7,523	—	7,523

01/01/2013-31/12/2013 Financial assets	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	6,232	—	6,232
Total	—	6,232	—	6,232

01/01/2013-31/12/2013 Financial liabilities	Level 1	Level 2	Level 3	Total
Exchange rate derivatives	—	9,032	—	9,032
Interest rate derivatives	—	1,737	—	1,737
Total	—	10,769	—	10,769

The group categorises financial assets and liabilities which are estimated at their actual value in an actual value hierarchy based on the information which is used to value each asset and liability.

Level 1 – Listed prices for identical assets and liabilities on an active market.

Level 2 – Listed prices on markets which are not active, listed prices for similar assets and liabilities, information other than listed prices which are observable directly or indirectly primarily for the instrument's entire term and input date for valuation models obtained from observable market data.

Level 3 – Information which is important for the asset's or liability's current value is not observable, unless the group's own assessments are applied.

The real value of forward exchange contracts is calculated by discounting the difference between the contracted forward rate and the forward rate that may be subscribed for on the balance sheet date for the remaining contract period. Discounting is performed at risk-free interest rate based on government bonds.

The real value of interest rate swaps is based on discounted estimated future cash flows under the contract terms and maturities based on the market interest.

14. Accounts receivable - trade

	2013-12-31	2012-12-31
Accounts receivable - trade, gross	298,517	259,311
Accumulated reserve for doubtful accounts, incoming	-16,287	-13,942
Reserves for the period	-5,492	-1,379
Reserves for the period restored	7,291	-1,297
Established customer losses	467	161
Exchange rate differences	-131	170
Accumulated reserve for doubtful accounts, outgoing	-14,152	-16,287
Reported value at end of the period	284,365	243,024

An age analysis of matured accounts receivable (trade) which are not regarded as doubtful is in accordance with the following

	2013-12-31	2012-12-31
1-30 days	67,403	53,095
31-90 days	18,538	20,838
91-120 days	13,481	5,190
> 120 days	19,441	17,813
Reported value at end of the period	118,863	96,936

15. Prepaid expenses and accrued income

	2013-12-31	2012-12-31
Accrued lease income	1,183	2,308
Accrued sales income	438	1,765
Prepaid insurance	3,681	3,072
Prepaid salaries	—	853
Service agreement	1,158	417
Bank fees and legal expenses	4,300	5,442
Transport subsidies and fees	1,202	1,008
IT services	1,973	2,139
Other prepaid expenses and accrued income	4,157	4,274
Reported value at end of the period	18,092	21,278

16. Long-term and short-term liabilities

		2012/12/31		
	Entered value	**< 1 year**	**> 1 year < 5 years**	**> 5 years**
Loans from financial institutions	676,489	—	435,228	241,261
Long-term financial lease liabilities	138,058	—	138,058	—
Other long-term liabilities	2,684	—	2,684	—
Reported value at end of the period	817,231	—	575,970	241,261
Short-term liabilities to banks	112,040	112,040	—	—
Short-term financial lease liabilities	39,209	39,209	—	—
Reported value at end of the period	151,249	151,249	—	—

		2013/12/31		
	Entered value	**< 1 year**	**> 1 year < 5 years**	**> 5 years**
Loans from financial institutions	713,092	—	399,794	313,298
Other long-term liabilities	11,374	—	11,374	—
Reported value at end of the period	724,466	—	411,168	313,298
Short-term liabilities to banks	132,974	132,974	—	—
Reported value at end of the period	132,974	132,974	—	—

Borrowing

The average interest rate commitment time for long-term borrowing was 6 months (6 months) at the turn of the year. The average interest rate for the group's interest-bearing loans at the turn of the year was 4.8 % (4.4 %).

Term	**Type of loan**	**Interest rate %**	**Currency**	**Nominal Value**	**Entered Value**
Variable interest rate	Bank loans	4.14%	EUR	142,088	142,088
"	Bank loans	4.53%	SEK	66,000	66,000
"	Bank loans	4.78%	SEK	331,490	331,490
"	Bank loans	4.17%	USD	240,965	240,965
"	Bank loans	8.40%	CNY	65,524	65,524
Total borrowing				846,067	846,067

The company's and the group's loan agreements with banks contain specific conditions, so-called covenants. These covenants comprise the following key financial figures for the Kamila Holding Group:

- the group's operating profit/loss before depreciation related to net debt and to interest payments and amortisation.
- The Group's net debt in relation to equity.

Financial derivative instruments

The table below shows actual values of the group's financial derivative instruments for handling financial risks and trading for its own account.

	31 December 2013		31 December 2012	
Actual value	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps				
Cash flow hedging	—	1,737	—	7,523
Exchange forwards				
Cash flow hedging	6,232	9,032	26,029	—
Reported value at end of the period	6,232	10,769	26,029	7,523

In total the group has hedged interest rate payments by means of swaps equalling a total external interest rate flow of SEK 2.4 million (12.8). The swap agreement expires on 26 March 2014.

The swap agreement means that the group has switched variable interest rates for fixed interest rates. The fixed interest rate for this interest swap agreement is 2.59% and on 31/12/2013 was higher than the variable interest rate for the underlying loan agreement. This means that there is a market value of SEK -1.7 million (-7.5).

Capital administration

Capital refers to both equity and borrowed capital. The objective of the group's capital administration is to ensure the group's continued existence and freedom to trade and to ensure that owners receive a return on funds invested. The distribution between equity and borrowed capital shall be such that a good balance is maintained between risk and return.

The capital structure is adjusted when necessary to meet changed economic requirements and other associated factors. In order to retain and adjust the capital structure, the group can distribute funds, increase equity by issuing new shares or capital contributions or sell assets to reduce liabilities or alternatively increase liabilities in order to acquire assets.

Term analysis regarding contractual payments received/payments made

Financial assets

	< 1 month	1-12 months	1-5 years	> 5 years
Other long-term receivables	—	—	15,789	1,050
Accounts receivable - trade	173,964	113,681	-3,280	—
Derivatives	—	6,232	—	—
Other receivables	23,164	53,995	—	—
Accrued income	4,815	13,277	—	—
Deposit	1,629	4,453	221	—
Liquid assets	78,475	103,997	—	—
Total	282,047	295,635	12,730	1,050

Financial liabilities

	< 1 month	1-12 months	1-5 years	> 5 years
Liabilities to banks	44,728	132,974	411,168	313,298
Advance payments from customers	4,473	22,940	1,136	—
Trade creditors	56,487	49,295	45	72
Derivatives	—	10,769	—	—
Other liabilities	9,178	23,651	260,131	—
Total	114,866	239,629	672,480	313,370

17. Deferred taxes

	2013/12/31	2012/12/31
Deferred tax receivables		
Provisions	12,003	21,268
Tax loss carry-forwards	12,607	27,595
Reported value at end of the period	24,610	48,863
Deferred tax liabilities		
Fixed assets	169	28,421
Untaxed reserves	5,060	5,057
Reported value at end of the period	5,229	33,478

Deferred tax receivables and liabilities have been offset where it is legally possible to reduce the current tax liability with current tax receivables and when deferred taxes are included in the same tax unit.

Deferred tax liabilities assignable to tax loss carry-forwards have been reported to the extent that accumulated tax losses are assessed as being possible to use against future taxable profits.

18. Provisions for pensions

Defined contribution pension plans

The group's defined contribution pension plans cover employees in all the group's companies except for employees of Alimak Hek AB and Alimak Hek Ltd. The defined contribution pension plans primarily cover retirement pensions, sickness pensions and family pensions. The premiums are paid on an ongoing basis throughout the year by the respective group company to various insurance companies. The amount of the premiums is based on the salary.

Defined benefit pension plans

The group's defined benefit pension plans cover employees in the group companies Alimak Hek AB in Sweden and Alimak Hek Ltd in Great Britain.

In addition, there are defined benefit pension plans to a lesser extent in the Netherlands, Italy, France and Germany. According to these defined benefit plans, the employees have a right to pension benefits based on their pensionable income and length of service. The pension plans primarily cover retirement pensions, sickness pensions and family pensions.

Britain's pension plan is funded. The Swedish pension plan is secured through provisions on the balance sheet in combination with credit insurance in the PRI Pension Guarantee and through pension insurance in Alecta. In the Swedish plan, all newly earned pension is secured through premiums to Alecta. According to the statement issued by the Swedish Financial Accounting Standards Council, UFR 3, this is a defined benefit plan that covers several employers. For the financial year, the Company has not had access to information that makes it possible to report this plan as a defined benefit plan, which means that it is recognized as a defined contribution plan, and is therefore included in pension costs for defined contribution pensions.

The previous year's figures have been adjusted to reflect the new accounting rules according to IAS 19R.

Pension obligations Pension costs, defined benefit pensions	2013/12/31	Adjustments previous year 2012/12/31
Amount reported in the profit and loss statement		
Expenses for pensions realised for the year	2,952	2,447
Interest costs, net	1,659	1,615
Reported value for the period	4,611	4,063
Cost of defined contribution pensions	9,795	10,607
Amounts recognized in other comprehensive income		
Revaluation of pension liabilities	8,130	6,156
Revaluation of fiduciary liabilities	397	483
Reported value for the period	8,528	6,639
Total pension costs	22,933	21,309

Amount reported in the balance sheet	2013/12/31	2012/12/31
Present value of benefit obligation, funded plans, UK	70,032	54,555
Fair value of plan assets, UK	52,495	43,383
Net debt funded plans, UK	17,537	11,172
Present value of benefit obligation, unfunded plans, Sweden	37,820	38,181
Present value of benefit obligation, unfunded plans, other	1,773	1,844
Reported value at end of the period	57,130	51,197

Reconciliation of amounts recognized in the balance sheet	2013/12/31	2012/12/31
Opening balance, net debt	51,197	39,199
Effect of changes in accounting standards IAS 19R	—	8,784
Expenses for pensions realised for the year	2,952	2,447
Interest costs, net	1,659	1,615
Revaluation of pension liabilities	8,130	6,156
Revaluation of fiduciary liabilities	397	483
Pension payments directly from the employer	-2,091	-1,753
Contributions from the employer	-5,755	-5,388
Other	—	-49
Exchange rate differences	641	-297
Closing balance, net debt	57,130	51,197

Reconciliation of the present value of pension liabilities	2013/12/31	2012/12/31
Opening balance, pension liabilities	94,580	82,270
Effect of changes in accounting standards IAS 19R	—	8,784
Expenses for pensions realised for the year	2,952	2,447
Expenses for services for previous periods		
Interest costs	3,513	3,644
Revaluation of pensions;		
- Demographic assumptions	744	—
- Financial assumptions	4,790	7,010
- Experience-based adjustments	2,597	-855
Pension payments	-2,264	-8,258
Contributions from employees	662	655
Other	—	-49
Exchange rate differences	2,050	-1,070
Closing balance, pension liabilities	109,623	94,579

Reconciliation of fiduciary assets at real value	2013/12/31	2012/12/31
Opening balance, fiduciary assets	43,382	43,071
Interest income	1,853	2,029
Return in addition to interest income	-397	-483
Contributions from the employer	5,755	5,388
Contributions from employees	662	655
Pension payments from fiduciary assets	-173	-6,505
Exchange rate differences	1,411	-773
Closing balance, fiduciary assets	52,493	43,382

Fiduciary assets consist of investment in Aviva - Deferred Allocation Funding With-Profits policy.

The table below shows the most important assumptions which have used on the balance sheet date.

The most important actuarial assumptions which were used were as follows;

	2013/12/31	2012/12/31
Sweden:		
Discount rate %	4.0	3.6
Future pension increases %	2.0	1.8
Life time	PRI 2011	PRI 2011
Great Britain:		
Discount rate %	4.1	4.1
Future salary increases %	4.4	3.9
Future pension increases %	2.5	2.5
Life time	PCMA00, PCFA00	PCMA00, PCFA00
Future adjustment upwards %	2.0	1.0

Sensitivity analysis

An increase in the discount rate of 0.5% points would reduce the pension liability by SEK 14,254 thousand. A decrease in the discount rate of 0.5% points would increase the pension liability by SEK 14,614 thousand.

The weighted average maturity, duration, on the pension liabilities in the UK is around 32 years. The weighted average maturity, duration, on the pension liabilities in Sweden is around 25 years.

Forecast of next year's cash flow, defined benefit pensions

The expected costs for the pension plan for the next year amounts to SEK 8,222 thousand.

19. Other provisions

	2013/12/31	2012/12/31
Guarantee commitments	5,605	6,439
Costs for restructuring measures	3,935	—
Final inspection costs	894	1,182
Personnel costs	5,338	8,587
Consulting costs	867	672
Project costs	4,105	3,697
Tax costs	1,492	2,063
Other provisions	394	395
Reported value at end of the period	22,630	23,035

20. Pledged assets and contingent liabilities

	2013/12/31	2012/12/31
Pledged assets		
Floating charges	98,555	98,555
Shares	2,063,296	1,703,652
Fixed assets	12,547	16,635
Receivables	63,644	58,301
Inventories	59,776	42,862
Other	292	389
Total pledged securities	2,298,110	1,920,394
Contingent liabilities		
Guarantee commitments, FPG/PRI	682	690
Guarantees for the benefit of group companies	8,442	100,404
Other contingent liabilities	92,456	68,628
Total contingent liabilities	101,580	169,722

The shares are pledged as collateral for the loan "Amended and restated senior facilities agreement" in Kamila Holding AB.

21. Bank overdraft facilities

	2013/12/31	2012/12/31
Approved credit limits	144,647	144,771
Unutilised part	-99,919	-101,888
Utilised credit	44,728	42,883

22. Accrued expenses and deferred income

	2013/12/31	2012/12/31
Personnel costs	48,099	44,414
Prepaid income	3,780	5,869
Interest expenses and other financial items	5,315	5,903
Audit costs	1,459	1,418
Provisions for fees	1,769	1,672
Other items	3,806	3,571
	64,228	62,847

Parent company's profit and loss statement

Amounts in SEK thousand	*Note*	*2013-01-01 -2013-12-31*	*2012-01-01 -2012-12-31*
Administrative expenses		-2,239	-8,675
Operating profit/loss	2, 3	-2,239	-8,675
Profit/loss from financial investments			
Interest income and similar profit/loss items	4	1	9
Interest expenses and similar profit/loss items	5	-31,137	-36,644
Profit/loss after financial items		-33,375	-45,310
Profit/loss before tax		-33,375	-45,310
Tax on the profit/loss for the year	6	7,342	11,565
Profit/loss for the year		-26,033	-33,745

Comprehensive income is the same as net income for the year.

Parent company's balance sheet

Amounts in SEK thousand	Note	2013/12/31	2012/12/31
ASSETS			
Fixed assets			
Financial assets			
Shares in group companies	7	2,272,801	2,272,801
Deferred income taxes recoverable		2,493	1,751
Other long-term receivables		13,732	11,908
		2,289,026	2,286,460
Total assets		2,289,026	2,286,460
Current assets			
Current receivables			
Other receivables	.	4,227	5,294
		4,227	5,294
Cash and bank balances	.	100	462
Total current assets	.	4,327	5,756
TOTAL ASSETS	.	2,293,353	2,292,216

Amounts in SEK thousand	Note	2013/12/31	2012/12/31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (500,000 shares at SEK 5 a share)		500	500
		500	500
Non-restricted equity			
Funds carried forward		1,425,049	1,330,394
Profit/loss for the year		-26,033	-33,745
		1,399,016	1,296,649
		1,399,516	1,297,149
Long-term liabilities			
Liabilities to banks	8	343,990	397,490
		343,990	397,490
Current liabilities			
Liabilities to banks		53,500	53,500
Liabilities to group companies		496,043	543,766
Accrued expenses and deferred income		304	311
		549,847	597,577
TOTAL EQUITY AND LIABILITIES		2,293,353	2,292,216

Parent company's pledged assets and contingent liabilities

Amounts in SEK thousand	2013/12/31	2012/12/31
Pledged assets		
Shares in subsidiaries	2,272,801	2,272,801
Total pledged securities	2,272,801	2,272,801
Contingent liabilities	Inga	Inga

Report of changes in the parent company's equity

Amounts in SEK thousand	Share equity	Result profit/loss including loss for the year	**Total equity equity**
Total equity			
1 January 2012	100	1,297,629	1,297,729
Shareholders' contribution		—	—
Bonus issue	400	-400	—
Group contribution		45,000	45,000
Tax effect on group contribution		-11,835	-11,835
Profit/loss for the year		-33,745	-33,745
Total equity 31 December 2012	**500**	**1,296,649**	**1,297,149**

Comprehensive income is the same as net income for the year.

Amounts in SEK thousand	Share equity	Result profit/loss including loss for the year	**Total equity equity**
Total equity			
1 January 2013	500	1,296,649	1,297,149
Shareholders' contribution		105,000	105,000
Group contribution		30,000	30,000
Tax effect on group contribution		-6,600	-6,600
Profit/loss for the year		-26,033	-26,033
Total equity 31 December 2013	**500**	**1,399,016**	**1,399,516**

Comprehensive income is the same as net income for the year.

Parent company's cash flow statement

Amounts in SEK thousand	*2013-01-01 -2013-12-31*	*2012-01-01 -2012-12-31*
Current operations		
Profit/loss after financial items	-33,375	-45,310
Adjustments for items not included in the cash flow etc.	-454	5,292
	-33,829	-40,018
Cash flow from current operations prior to changes in working capital	-33,829	-40,018
Cash flow from changes in working capital		
Increase(-)/decrease(+) in operating receivables	61	-4,960
Increase(-)/decrease(+) in operating liabilities	86,906	48,013
Cash flow from current operations	53,138	3,035
Disposal of/reduction in financial assets	—	5,293
Cash flow from investment activity	—	5,293
Financing activity		
Repayment of loans	-53,500	-53,500
Group contribution received	—	45,000
Cash flow from financing activity	-53,500	-8,500
Cash flow for the year	-362	-172
Liquid assets at start of the year	462	634
Liquid assets at end of the year	100	462

Parent company's additional disclosures to the cash flow statement

Amounts in SEK thousand	*2013-01-01 -2013-12-31*	*2012-01-01 -2012-12-31*
Interest paid		
Interest received	1	9
Adjustments for items not included in the cash flow etc.		
Change in distribution of loan costs	-756	5,292
Other provisions	302	—
	-454	5,292

Notes to the parent company's financial statements

Amounts in SEK thousand unless otherwise indicated

1. Accounting principles

General information

Kamila Holding AB, corp. ID no. 556709-1581 carries on business in the legal form of a limited company and its registered office is in Stockholm, Sweden.

The registered office address is Brunkebergstorg 5, 3 tr, 111 51 Stockholm.

The parent company applies RFR 2 Financial reporting for legal entities.

The parent company applies the same principles as the group. If there are deviations these are commented on individually.

Group contribution and shareholders' contribution

Shareholders' contribution is recognised directly against equity at the recipient and is capitalised in shares and holdings at the provider to the extent write-downs are not required.

Group contribution is recognised according to the financial implications. This means that Group contributions paid in order to minimize the Group's total tax is recognized directly in retained earnings after deducting its related tax effect.

Shares in subsidiaries

Shares in subsidiaries are reported in accordance with the acquisition value method. Acquisition-related expenses for subsidiaries, which are carried as an expense in the consolidated financial statements, are not included as part of the acquisition value for shares in subsidiaries. The reported value for shares in subsidiaries is assessed annually with respect to any need for write-downs or whenever there are indications that there is a need for write-downs.

2. Employees and personnel costs

Salaries, other payments and social security costs

The company has no employees so there are no costs reported for salaries and payments.

3. Fees and costs for auditors

	2013-01-01 -2013-12-31	*2012-01-01 -2012-12-31*
Deloitte		
Audit assignment	—	500
	—	500

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Ernst & Young		
Audit assignment	30	—
	30	—

4. Other interest income and similar profit/loss items

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest income and similar profit/loss items	1	9
	1	9

5. Interest expenses and similar profit/loss items

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Interest expenses and similar profit/loss items	-31,137	-36,644
	-31,137	-36,644

6. Tax on the profit/loss for the year

	2013-01-01 -2013-12-31	2012-01-01 -2012-12-31
Current tax	6,600	11,835
Deferred tax	742	-270
	7,342	11,565
Reconciliation of effective tax		
Profit/loss before tax	-33,375	-45,310
Tax in accordance with the valid tax rate for the parent company 22 % (26.3%)	7,343	11,917
Differences for changed tax rate from 26.3% to 22%	—	-2,035
Change in reported deferred tax on loss carry-forwards	-1	1,690
Non-deductible costs	—	-7
Reported effective tax	7,342	11,565

7. Shares in group companies

	2013/12/31	2012/12/31
Accumulated acquisition values		
At start of the year	2,272,801	2,272,801
	2,272,801	2,272,801
Book value at end of the period	2,272,801	2,272,801

List of the parent company's shares in group companies

Subsidiary / Corp. ID no. / Registered office	*Number shares*	*Proportion in %*	***2013/12/31*** *Entered value*	***2012/12/31*** *Entered value*
Alimak Hek Group AB/556064-1739/Stockholm	6,378,000	100.0	2,272,801	2,272,801
Ascensor AB/556289-9160/Stockholm	10,000	100.0	—	—
Alimak Hek AB/556033-7528/Skellefteå	360,000	100.0	—	—
- Alimak Fastigheter HB/916594-5370/Skellefteå		50.0	—	—
Alimak Hek Finance AB/556139-0583/Skellefteå	30,000	100.0	—	—
- Alimak Fastigheter HB/916594-5370/Skellefteå		50.0	—	—
Alimak Hek France SAS/348.000.480/Senlis, France	50,000	100.0	—	—
Alimak Hek GmbH/ HRB 4482, Heilbronn, Germany		100.0	—	—
Alimak GmbH/HRB 2199/Andernach, Germany		100.0	—	—
Alimak Hek Ltd/930125/London, Great Britain	249,999	100.0	—	—
Alimak Hek Ltd/135-81-00265/Korea	12,500	100.0	—	—
Alimak Hek Pte Ltd /199905041Z/Singapore	300,000	100.0	—	—
- Alimak Hek Sdn Bhd/500452/Kuala Lumpur, Malaysia	500,000	100.0	—	—
Alimak Hek Pty Ltd/ACN 005 538 947/ Victoria, Australia	10,000	100.0	—	—
Alimak Hek Slr/00678770520/Siena, Italy	485,715	100.0	—	—
- Alimak Hek S.L./B-31-539513/Pamplona, Spain	3,999	100.0	—	—
Alimak Hek Vertical Access Equipment (Changshu)Co, /78558003-2/ Changshu, China		100.0	—	—
- Changshu AlimakHek IMP.&Exp Co Ltd/ 320581000280767 /Changshu, China		100.0	—	—
Alimak Hek Inc /06-1242771/ Houston, USA	5,000	100.0	—	—
- Access Equipment LLC/ 043689828/Atlanta, USA		100.0	—	—
Alimak Hek BV/18012724/Middelbeers, the Netherlands	160	100.0	—	—
- Alimak Hek NV/ 0479695484/Antwerp, Belgium	100	100.0	—	—
Intervect Brasil Ltda/01.452.037/0001-13/Sao Paulo Brazil	1,556,234	100.0	—	—
Alimak Hek India Private Limited / U52341DL2008PTC173118/ Secunderbad, India	99,990	100.0	—	—
Alimak Hek FZE/130418/Jabel Ali-Techno Park, Dubai	1	100.0	—	—
Reported value at end of the period			2,272,801	2,272,801

8. Liabilities to banks, long term

	2013/12/31	*2012/12/31*
date if maturity, 1-5 years from the balance sheet date	343,990	397,490
	343,990	397,490

Stockholm, 31 March 2014

Anders Jonsson
Chairman

Carl Johan Falkenberg

Fredrik Brynildsen

Göran Gezelius

Joakim Rosengren

Wei Chen

Greger Larsson
Employee Representative

Tormod Gunleiksrud
CEO

Kenneth Johansson
Employee Representative

Our audit report was published on 31 March 2014.
Ernst & Young

Rickard Andersson
Authorised Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of Kamila Holding AB, corporate identity number 556709-1581

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Kamila Holding AB for the 2013.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director 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.

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 of 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 policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, 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 to provide a basis for our audit opinions.

Opinions

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 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. 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 2013 and of their financial performance and cash flows for the year then ended 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 therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Other matters

The audit of the annual accounts 2012 was performed by another auditor who submitted an auditor's report dated March 31, 2013 with unmodified opinions in the Report on the annual accounts.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Kamila Holding AB for the year 2013.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the 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 appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the 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 examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the 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 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 Managing Director be discharged from liability for the financial year.

Stockholm, March 31, 2014

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Reviewed, but unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2015 and 2014

INTERIM REPORT JANUARY-MARCH 2015
ALIMAK GROUP AB

Strong sales and EBIT growth led by Construction Equipment and After Sales

- Order intake increased with 23 % to SEK 535,8 (435,9) million.
- Revenues increased by 35 % to SEK 462,3 (343,3) million. Organic growth of 12 %.
- Operating profit (EBIT) increased by 42 % to SEK 72,0 (50,7) million, including items affecting comparability of SEK 4,0 (0,6) million.
- Operating margin (EBIT %) amounted to 15,6 (14,8) %.
- Net result after tax amounted to SEK 4,7 (7,8) million negatively impacted by unrealized currency translation losses caused by internal loans held for hedging purposes.
- Earnings per share amounted to SEK 4,73 (7,81).
- Cash flow from operating activities amounted to SEK 12,9 (67,5) million

GROUP FINANCIALS

Key summary	2015 Q1	2014 Q1	Change percent	R-12	FY 2014
Order intake, SEK million	535,8	435,9	22,9	1 889,7	1 789,7
Revenues, SEK million	462,3	343,3	34,7	1 861,5	1 742,5
Operating profit (EBIT), SEK million	72,0	50,7	42,0	309,0	287,7
Operating margin (EBIT), %	15,6%	14,8%		16,6%	16,5%
After tax result, SEK million	4,7	7,8	-39,4	43,4	46,5
Earnings per share, SEK	4,73	7,81		43,42	46,50
Cash flow from operating activities, SEK million	12,9	67,5	-80,9	254,9	309,5

Comments from the CEO

Market conditions during the quarter remained overall stable. We saw good momentum in Construction Equipment, After Sales and Rental. The new mid-market product range continue to gain momentum in emerging markets.

Industrial Equipment continued to face challenging markets driven by the uncertainty in the Oil and Gas (O&G) sector. However, we are particularly pleased with having received a large order for a low-temperature O&G upstream application in the period, showing that our initiatives within Industrial Equipment are starting to deliver. We are also ramping up our efforts outside the O&G industry.

The cash flow in the quarter was lower than 2014 due to an increase in inventory as we start to deliver on orders taken in 2014. We were also negatively affected by an increase in trade receivables due to a relative late invoicing in the period.

Summarized, first quarter 2015 confirm that the Alimak Group is on the right path and that our strategic initiatives deliver returns in line with expectations.

Tormod Gunleiksrud
CEO

First quarter 2015 (January-March):

Market development

Market conditions during the quarter remained overall stable.

The demand in the construction market continued to improve in selected mature markets including North America. The Chinese construction market has been slow in the first quarter, partly caused by a late Chinese new year holiday period and partly due to a softness in the construction market. In spite of this, there are pockets of high-growth opportunities. The markets in South East Asia, India and South America continue to grow at good pace.

Industrial markets are impacted by the lower oil price resulting in some project delays. A trend towards increased competitive pressure, especially in North America has been noted. On the back of the lower oil price, geographic and industrial verticals benefitting from lower oil prices are showing a somewhat increased quotation activity.

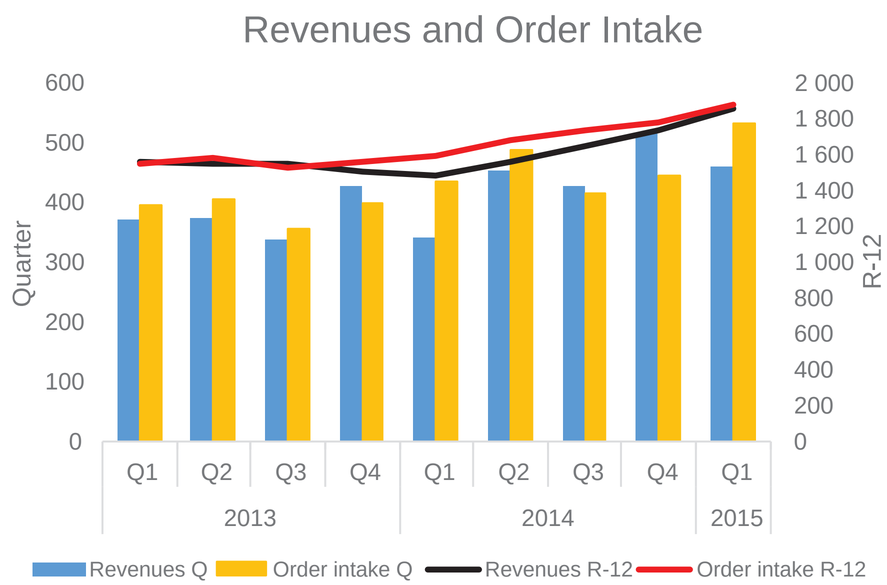
There is a mixed picture within our four rental markets. While the French market continued to struggle, Benelux, Germany, and Australia have gained momentum.

After Sales markets enjoy continued high activity globally and while the US market is showing somewhat lower activity within refurbishments. Overall market is still progressing well with good growth opportunities.

Order intake and sales

Order intake during the first quarter 2015 was SEK 535,8 (435,9) million representing an increase of 23 %. Adjusted for currency translation effects, the order intake grew 6 %, which is attributable to the addition of the Heis-Tek business. All business areas except Industrial Equipment showed growth during the quarter.

Revenues during the first quarter was SEK 462,3 (343,3) million which is an increase of 35 %. Adjusted for currency effects, sales growth was 19 % whereof the newly acquired Heis-Tek business contributed 7 %. All business areas except Industrial Equipment showed growth.



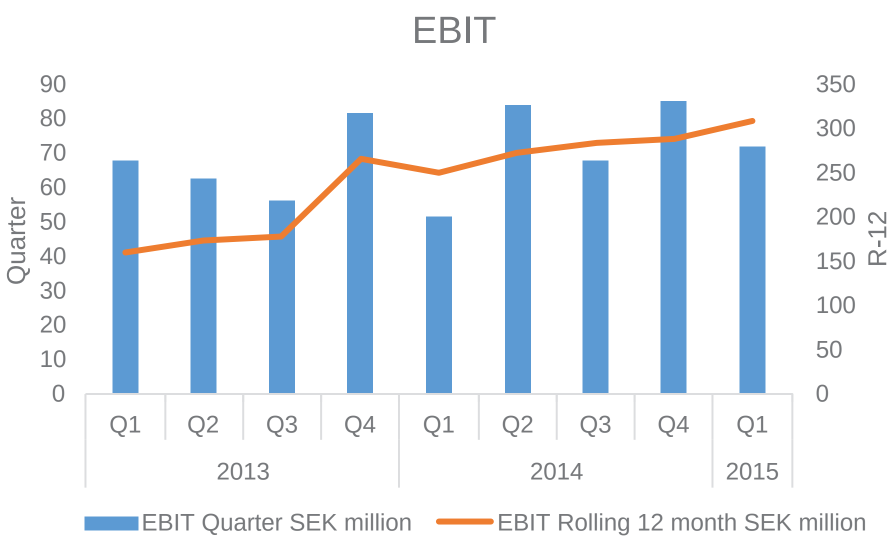
Revenues and growth	Q 1 2015	2014
Revenues, SEK M	462	343
Change, SEK M	119	-29
Change %	35%	-8%
Of which:		
Volumes and prices, %	12%	-8%
Currency, %	16%	0%
Acquisitions, divestments, %	7%	0%

Profit

Operating profit (EBIT) during the first quarter 2015 was SEK 72,0 (50,7) million, an increase of 42 %. As in 2014, a significant part of the operating profit is generated within business area After Sales with both Construction Equipment and Rental showing improvement.

Industrial Equipment is weaker due to lower revenues. Adjusted for currency effects and items affecting comparability, EBIT amounted to SEK 70,7 (51,5) million, an increase of 38%. The operating margin (EBIT%) excluding currency effects and items affecting comparability amounted to 15,3 (15,0) %.

Profit before tax for the first quarter 2015 decreased to SEK 7,4 (15,7) million impacted by unrealized exchange losses in the financial net. These losses are unrealized currency effects related to the internal group loan structure held for hedging purposes (for which the company has not applied hedge accounting). During 2015 the loan structure will be addressed and the unrealized currency effect will be substantially reduced.



Tax

Tax expenses for the first quarter 2015 amounted to SEK -2,7 (-7,9) million. The pre-tax result amounted to SEK 7,4 (15,7) million. The tax expenses related to current income taxes SEK -19,7 (-17,1) million were offset by positive deferred income taxes of SEK 17,0 (9,2) million.

Cash flow and liquidity

Cash flow from operating activities for the first quarter 2015 amounted to SEK 12,9 million compared with SEK 67,5 million for the same period last year. This is mainly due to an increase in inventory as orders taken in 2014 are being manufactured. Cash flow was also negatively affected by an increase in trade receivables due to relative late invoicing in the period. Cash flow from investing activities amounted to SEK –9,8 (-7,5) million. Cash flow from financing activities was SEK -24,1 (-32,2) amounting to a total cash flow for the first quarter of SEK -21,0 (27,8) million. The Group's cash and cash equivalents ended the quarter on SEK 376,5 (214,4) million.

Investments

Investments during the first quarter 2015 amounted to SEK 9,8 (7,5) million whereof rental equipment SEK 2,9 (2,7) million.

Financial positions

Net debt amounted to SEK 576,9 (625,2) million as at 31 March 2015. Equity Ratio amounted to 27,1 (24,8) % and the net debt equity ratio was 0,6 (0,9).

Pledged assets and contingent liabilities

The pledged assets and contingent liabilities amounted to SEK 2 451,2 (2 298,1) and 212,7 (101,6) million.

Employees

The average full-time equivalent number of employees during the first quarter 2015 was 1 072 (906) and reflect both the groups ramp up of resources to execute on its strategic initiatives as well as the employees added from the Heis-Tek acquisition.

Segment Reporting – Business Areas

Construction Equipment

- Order intake in Q1 2015 increased by 98 % to SEK 161 (81) million from stronger performance in all regions. Good momentum in the developed markets and continued strong interest in the mid-market product offering. Organic growth of 64 %.
- Revenues in Q1 increased by 161 % to SEK 127 (49) million reflecting delivery of orders taken in 2014. Growth was driven by the mid-market product range as well as the early recovery of specific mature markets such as Australia and USA. Organic growth was 122 %.
- Operating profit (EBIT) in Q1 turned into positive of SEK 9 (-11) million. This improvement is a result of increased volume.

Industrial Equipment

- Order intake in Q1 2015 decreased by 42 % to SEK 87 (148) million mainly as a result of the continued downturn in Oil and Gas (O&G). Organic growth of -49 %.
- Revenues in Q1 decreased by -11 % to SEK 99 (112) million. The small decline in revenues compared to orders is due to reduction of the backlog. Organic growth of -27 %.
- Operating profit (EBIT) in Q1 decreased by 70 % to SEK 5 (17) million. The decrease is mainly due to the lower sales volumes and higher sales costs from additional sales people and technical staff to proactively work with opportunities outside the O&G industry.

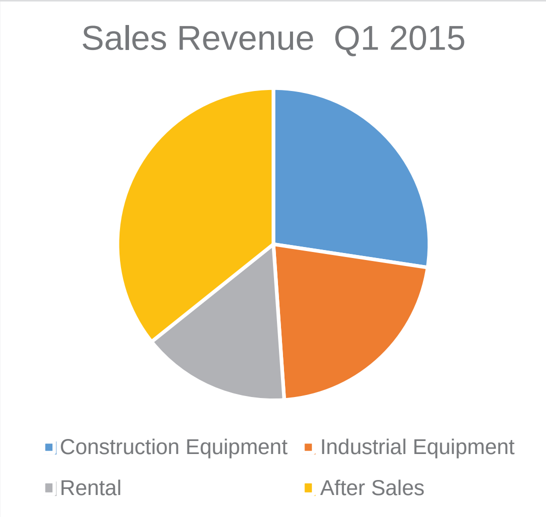
Rental

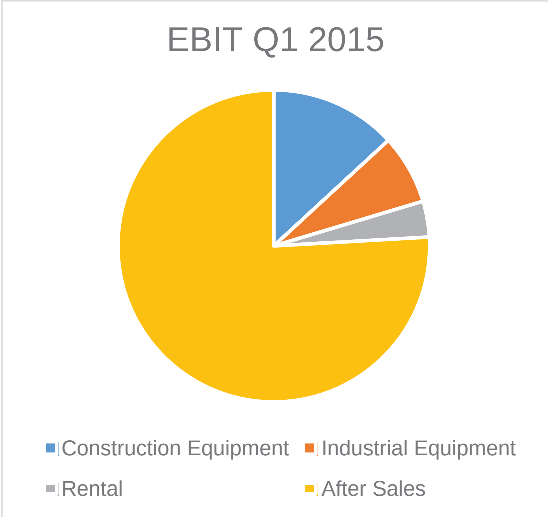
- Order intake in Q1 2015 increased by 6 % to SEK 80 (75) million with good market demand in Benelux, Germany and Australia. Organic growth of -6 %. There was a decline in used sales and Australia had a lower order intake compared to a strong quarter last year.

- Revenues in Q1 increased by 22 % to SEK 71 (58) million as a result of better market activity and good backlog. Organic growth of 10 %.
- Operating profit (EBIT) in Q1 increased to SEK 3 (1) million as volumes increased.

After Sales

- Order intake in Q1 2015 increased by 59 % to SEK 209 (131) million. Organic growth of 19 %.
- Revenue in Q1 increased by 32 % to SEK 165 (125) million. Organic growth of 5 %. During the quarter, we observed a continued good momentum in our core markets.
- Operating profit (EBIT) in Q1 increased by 25 % to SEK 55 (44) million.





Order Intake	**Q 1**			
	2015 SEK M	%	**2014** SEK M	%
Construction Equipment	161	30,0%	81	18,6%
Industrial Equipment	87	16,2%	148	34,0%
Rental	80	14,9%	75	17,3%
After Sales	209	38,9%	131	30,1%
Total	**536**	**100,0%**	**436**	**100,0%**

Revenues	**Q 1**			
	2015 SEK M	%	**2014** SEK M	%
Construction Equipment	127	27,4%	49	14,1%
Industrial Equipment	99	21,5%	112	32,5%
Rental	71	15,4%	58	16,9%
After Sales	165	35,7%	125	36,4%
Total	**462**	**100,0%**	**343**	**100,0%**

Operating profit (EBIT) **Operating margin (EBIT%)**	**Q1**			
	2015 SEK M	EBIT%	**2014** SEK M	EBIT%
Construction Equipment	9	7,5%	-11	-22,8%
Industrial Equipment	5	5,2%	17	15,6%
Rental	3	3,8%	1	0,9%
After Sales	55	33,1%	44	35,0%
Total	**72**	**15,6%**	**51**	**14,8%**

Strategy and financial targets

The Board of Directors have adopted the following Strategic Financial Targets for the Group:

Revenues Growth:	Mid term annual growth of 10%
Profitability:	Mid term EBIT margin of 17%
Leverage:	Net Debt/EBITDA of around 2x, subject to flexibility for strategic activities
Dividend policy:	Pay out around 50% of the net profit, subject to the company's financial position and strategic considerations

Parent company

Profit before tax for the first quarter 2015 amounted to SEK -22.2 (-20.1) million.

Significant events after the end of the period

No significant events have taken place after the end of the period.

Risks and uncertainties

For a description of risks and uncertainties please refer to Alimak Group's 2014 annual report. No other material changes have taken place since publication of the 2014 Annual Report.

Forthcoming financial information

Interim report for January-June 2015	17 August 2015
Interim report for January-September 2015	28 October 2015
Year-end report for 2015	February 2016

Stockholm, 29 April 2015
Alimak Group AB reg. no. 556714-1857

Anders Thelin, Chairman of the Board
Anders Jonsson
Eva Lindqvist
Carl Johan Falkenberg
Göran Gezelius
Kenneth Johansson
Joakim Rosengren
Greger Larsson

This interim report has been reviewed by the company's auditors.

For further information, please contact:

Tormod Gunleiksrud

President and CEO, Phone: +46 8 402 1442

Stefan Rinaldo

Chief Financial Officer, Phone: +46 8 402 1447

John Womack

Director of IR, Phone: +46 70 678 2499

ALIMAK GROUP

GROUP FINANCIALS

Condensed statement of comprehensive income

Amounts in SEK million	Q1 2015	Q1 2014	Jan-Dec 2014
Revenues	462,3	343,3	1 742,5
Cost of goods sold	-274,6	-196,8	-1 000,7
Gross Profit	**187,7**	**146,5**	**741,8**
Selling expenses	-60,9	-51,3	-235,1
Administrative expenses	-45,6	-35,3	-184,3
R & D expenses	-9,2	-9,2	-34,7
Total operating expenses	-115,7	-95,8	-454,2
Operating profit (EBIT)	**72,0**	**50,7**	**287,7**
Financial income	8,4	7,1	28,7
Financial expenses	-73,0	-42,1	-224,6
Net financial items	-64,6	-35,0	-195,9
Result before tax (EBT)	**7,4**	**15,7**	**91,7**
Tax on profit for the period	-2,7	-7,9	-45,2
Profit for the period	**4,7**	**7,8**	**46,5**
attributable to the parent company's shareholders			
Other comprehensive income for the period:			
Items that will be returned to net income			
Translation differences	50,8	4,5	164,4
Cash flow hedging	-5,5	0,0	-23,1
Hedging of net investments	0,0	0,0	4,6
Deferred tax attr. to hedging of net investments	0,0	0,0	-1,0
SUM	45,3	4,5	144,9
Items not to be returned to net income			
Revaluation of pensions plan	0,0	0,0	-0,9
Deferred tax attr. to revaluation of pensions plan	0,0	0,0	0,2
SUM	0,0	0,0	-0,7
Other comprehensive income, net after tax	**45,3**	**4,5**	**144,2**
Total comprehensive income for the period	**50,0**	**12,3**	**190,7**
attributable to the parent company's shareholders	*50,0*	*12,3*	*190,7*
Earnings per share, SEK			
Undiluted and diluted	4,73	7,81	46,50

GROUP FINANCIALS

Condensed statement of financial position

Amounts in SEK million

ASSETS	31 March 2015	31 March 2014	31 Dec 2014
Intangible fixed assets			
Goodwill	1 715,8	1 552,7	1 702,4
Other intangible fixed assets	1,2	1,6	1,3
Total intangible fixed assets	**1 717,0**	**1 554,4**	**1 703,7**
Tangible fixed assets			
Land and buildings	43,2	45,1	44,0
Machinery	65,8	46,9	61,3
Equipment, tools and fixtures and fittings	31,0	20,4	30,0
Rental equipment	138,7	144,4	141,3
Total tangible fixed assets	**278,8**	**256,8**	**276,6**
Other non-current assets			
Deferred tax assets	115,9	100,0	96,0
Other non-current assets	9,4	2,7	8,1
Total other non-current assets	**125,3**	**102,7**	**104,2**
Total non-current assets	**2 121,0**	**1 913,9**	**2 084,4**
Current assets			
Inventories	380,3	286,3	313,0
Trade receivables	344,5	215,6	337,8
Income tax receivables	7,1	1,6	7,7
Other receivables	87,8	90,3	85,7
Prepayments and accrued income	55,7	45,3	40,6
Cash and cash equivalents	376,5	214,4	384,7
Total current assets	**1 251,8**	**853,6**	**1 169,6**
TOTAL ASSETS	**3 372,9**	**2 767,5**	**3 254,0**
EQUITY AND LIABILITIES			
Shareholders equity	**914,2**	**685,8**	**864,2**
Non-current liabilities			
Interest bearing debts	705,5	714,4	692,2
Liabilities to parent company	941,0	855,4	918,8
Pension liabilities	65,8	57,8	64,5
Provisions	44,7	22,7	47,0
Deferred tax liabilities	43,5	5,2	37,8
Other long term liabilities	0,6	11,2	0,5
Total non-current liabilities	**1 801,0**	**1 666,7**	**1 760,8**
Current liabilities			
Other liabilities, interest bearing	248,0	125,3	248,5
Trade payables	202,0	131,1	192,9
Income tax liabilities	12,7	23,0	6,1
Accruals and deferred income	88,1	82,1	90,3
Other current liabilities	106,8	53,5	91,2
Total current liabilities	**657,7**	**415,0**	**628,9**
TOTAL EQUITY AND LIABILITIES	**3 372,9**	**2 767,5**	**3 254,0**

GROUP FINANCIALS

Condensed statement of changes in equity

Amounts in SEK million	Attributable to the parent company's shareholders					
	Share capital	Other contributed capital	Foreign currency adjustments	Cash flow Hedging	Retained earnings	**Total equity**
Opening balance, 1 January 2014	**0,1**	**1 215,2**	**-122,2**	**0,0**	**-419,6**	**673,5**
Profit for the period					7,8	**7,8**
Foreign currency adjustments			4,5			**4,5**
Total comprehensive income	0,0	0,0	4,5	0,0	7,8	**12,3**
Closing balance, 31 March 2014	**0,1**	**1 215,2**	**-117,7**	**0,0**	**-411,8**	**685,8**
Opening balance, 1 January 2015	**0,1**	**1 215,2**	**45,8**	**-23,1**	**-373,8**	**864,2**
Profit for the period					4,7	**4,7**
Changes of fair value				-10,2		**-10,2**
Transferred to income statement				3,2		**3,2**
Tax attr. To cash flow hedging				1,5		**1,5**
Foreign currency adjustments			50,8			**50,8**
Total comprehensive income	0,0	0,0	50,8	-5,5	4,7	**50,0**
Closing balance, 31 March 2015	**0,1**	**1 215,2**	**96,6**	**-28,6**	**-369,1**	**914,2**

GROUP FINANCIALS

Cash flow statement

Amounts in SEK million	Q1 2015	Q1 2014	Jan-Dec 2014
Operating activities:			
Profit before tax	7,4	15,7	91,7
Reversal of depreciation/amortization	13,0	11,8	48,6
Tax paid	-10,9	-9,7	-32,3
Adjustments for other items not affecting cash flow	60,4	34,0	189,0
Cash flow in operating activities before change in working capital	70,0	51,8	297,0
Change in working capital:			
Inventory (increase -/decrease +)	-48,0	-29,7	-25,1
Operating receivables (increase -/ decrease +)	-26,9	27,6	-39,8
Operating liabilities (increase +/decrease -)	17,7	17,9	77,4
Total change in working capital	-57,1	15,7	12,6
Cash flow from operating activities	**12,9**	**67,5**	**309,5**
Investing activities:			
Acquisition of group companies	0,0	0,0	-58,6
Investment in intangible fixed assets	-0,1	0,0	-0,8
Investment in tangible fixed assets	-9,9	-7,7	-66,0
Changes in financial fixed assets	0,1	0,0	-3,3
Sales/disposal of tangible fixed assets	0,0	0,2	7,5
Cash flow from investing activities	**-9,8**	**-7,5**	**-121,2**
Financing activities:			
Proceeds from borrowings	0,0	0,0	94,1
Repayment of borrowings	-24,1	-32,2	-112,3
Cash flow from financing activities	**-24,1**	**-32,2**	**-18,2**
Cash flow for the period	**-21,0**	**27,8**	**170,2**
Cash & cash equivalents at beginning of period	384,7	189,9	189,9
Exchange gains/losses	12,9	-3,3	24,6
Cash & cash equivalents at end of period	**376,5**	**214,4**	**384,7**

ALIMAK GROUP

First quarter 2015

GROUP FINANCIALS

Key figures	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
		QUARTER PERIODS			
Order intake, SEK million	535,8	446,8	417,6	489,4	435,9
Revenues, SEK million	462,3	518,0	427,1	454,1	343,3
Operating profit (EBIT), SEK million	72,0	85,4	67,5	84,0	50,7
Operating margin (EBIT), %	15,6%	16,5%	15,8%	18,5%	14,8%
Profit for the period, SEK million	4,7	14,5	4,7	19,5	7,8
Total comprehensive income, SEK million	50,0	124,7	22,4	31,3	12,3
Undiluted/diluted average number of shares, thousand's	1 000	1 000	1 000	1 000	1 000
Undiluted/diluted number of shares, thousand's	1 000	1 000	1 000	1 000	1 000
Undiluted/diluted earnings per share, SEK	4,73	14,47	4,68	19,54	7,81
Cash flow from operating activities, SEK million	12,9	132,7	138,7	-29,4	67,5
Total cash flow, SEK million	-21,0	77,5	133,6	-68,7	27,8
Total cash flow per share, SEK	-21,00	77,46	133,62	-68,67	27,76
Cash and cash equivalents end of period, million SEK	376,5	384,7	227,2	153,1	214,4
Total assets, SEK million	3 372,9	3 254,0	3 036,7	2 929,6	2 767,5
Equity, SEK million	914,2	864,2	739,4	717,1	685,8
Undiluted/diluted equity per share, SEK	914,21	864,20	739,37	717,08	685,77
Equity ratio, %	27,1%	26,6%	24,3%	24,5%	24,8%
Net debt, SEK million	576,9	556,0	661,8	777,4	625,2
Net debt/EBITDA ratio	1,6	1,7	2,0	2,4	2,1
Net debt/equity ratio	0,6	0,6	0,9	1,1	0,9
Return on equity, %	5,4%	6,0%	7,9%	8,3%	9,5%
Capital employed	2 432,1	2 339,0	2 298,3	2 370,5	2 166,4
Return on capital employed, %	13,4%	12,6%	12,5%	11,8%	11,5%
Return on capital employed goodwill excluded, %	46,5%	44,5%	41,5%	38,5%	40,3%
Interest coverage ratio	1,1	1,4	1,2	1,7	1,4

ALIMAK GROUP

Parent Company

Income statement

Amounts in SEK million	Q1 2015	Q1 2014	Jan-Dec 2014
Net sales	—	—	—
Administration expenses	0,0	—	0,0
Operating profit/loss	**0,0**	**0,0**	**0,0**
Financial income	—	—	—
Financial expenses	-22,2	-20,1	-83,5
Profit/loss after financial items	**-22,2**	**-20,1**	**-83,5**
Group contributions	—	—	160,0
Result before tax (EBT)	**-22,2**	**-20,1**	**76,5**
Tax on profit/loss for the period	4,9	4,4	-16,8
Profit/loss for the period	**-17,3**	**-15,7**	**59,6**
Other comprehensive income for the period:			
Items that will be returned to net income			
Items not to be returned to net income			
Total comprehensive income for the period	**-17,3**	**-15,7**	**59,6**

ALIMAK GROUP

Parent Company

Balance sheet

Amounts in SEK million **ASSETS**	**31 March 2015**	**31 March 2014**	**31 Dec 2014**
Financial assets			
Shares in group companies	1 738,4	1 608,4	1 738,4
Deferred tax	54,1	70,5	49,2
Total non-current assets	**1 792,5**	**1 678,9**	**1 787,7**
Current assets			
Receivable from group company	290,1	260,1	290,1
Cash and cash balances	1,1	1,2	1,1
Total current assets	**291,3**	**261,3**	**291,3**
TOTAL ASSETS	**2 083,8**	**1 940,2**	**2 078,9**
EQUITY AND LIABILITIES			
Shareholders equity			
Restricted equity			
Share Capital	0,1	0,1	0,1
Restricted equity	200,0	200,0	200,0
	200,1	200,1	200,1
Unrestricted equity			
Retained earnings	960,0	900,4	900,4
Profit/loss for the period	-17,3	-15,7	59,6
	942,7	884,7	960,0
Total shareholders equity	**1 142,8**	**1 084,8**	**1 160,1**
Non-current interest bearing debts			
Liabilities to parent company	941,0	855,4	918,8
Total current liabilities	**941,0**	**855,4**	**918,8**
Current liabilities			
Other current liabilities	0,0	0,0	0,0
Total current liabilities	**0,0**	**0,0**	**0,0**
TOTAL EQUITY AND LIABILITIES	**2 083,8**	**1 940,2**	**2 078,9**

Notes

Note 1 Accounting policies

This interim report was prepared in accordance with IFRS, applying IAS 34, Interim Financial Reporting. The same accounting and valuation policies were applied as in the most recent annual report with the exception of new and revised standards and interpretations effective from 1 January 2015.

The interim report for the parent company has been prepared in accordance with the Annual Accounts and with standard RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board.

Note 2 Related-party transactions

Significant related-party transactions are described in Note 25 to the consolidated accounts in the Company's 2014 Annual Report. No material changes have taken place in relations or transactions with related parties compared with the description in the 2014 Annual Report.

Note 3 Financial instruments

Amounts in SEK million	Total carrying amount			Fair Value		
Financial assets	**31 March 2015**	**31 March 2014**	**31 Dec 2014**	**31 March 2015**	**31 March 2014**	**31 Dec 2014**
Derivative financial instruments	—	0,0	—	—	0,0	—
Long term receivables	9,4	2,7	8,1	9,4	2,7	8,1
Trade receivables	344,5	215,6	337,8	344,5	215,6	337,8
Other financial receivables	143,5	135,6	126,4	143,5	135,6	126,4
Cash and cash equivalents	376,5	214,4	384,7	376,5	214,4	384,7
SUM	**873,9**	**568,3**	**857,0**	**873,9**	**568,3**	**857,0**
Financial liabilities						
Derivative financial instruments	49,9	—	29,6	49,9	—	29,6
Non-current interest bearing debts	706,1	725,6	692,7	714,5	738,3	702,2
Current interest bearing debts	248,0	112,5	227,8	252,2	116,7	232,0
Overdraft facility	—	12,8	20,8	—	12,8	20,8
Trade payables	202,0	131,1	192,9	202,0	131,1	192,9
Other financial liabilities*	145,1	135,6	151,9	145,1	135,6	151,9
SUM	**1 351,1**	**1 117,6**	**1 315,5**	**1 363,7**	**1 134,5**	**1 329,3**

* *including personnel expenses 31/03/15 and 31/03/14*

Financial assets and liabilities at fair value	
2014-01-01 – 2014-03-31	
Financial assets	**Level 2**
Currency derivatives	0,0
Total	**0,0**
2014-01-01 – 2014-12-31	
Financial liabilities	
Currency derivatives	29,6
Total	**29,6**
2015-01-01 – 2015-03-31	
Financial liabilities	
Currency derivatives	49,9
Total	**49,9**

Level 1 – quoted prices in active markets for identical financial instruments

Level 2 – inputs other than quoted prices included in level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Currency derivatives are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term.

Definitions

Operating profit (EBIT) comprises the results before financial items and tax.

Operating margin (EBIT %) has been calculated as EBIT above as a percentage of Revenue during the period.

Undiluted average number of shares Weighted average number of shares outstanding during the period.

Diluted average number of shares Weighted average number of shares outstanding during the period as well as potential additional shares.

Undiluted/diluted earnings per share After tax result in relation to the undiluted and diluted average number of shares.

Undiluted/diluted equity per share Shareholders equity in relation to the outstanding undiluted number of shares at the end of period.

Equity ratio Shareholders equity as a percentage of total assets.

Net debt The net of interest bearing liabilities (shareholders loan excluded) and assets as well as cash and cash equivalents.

Net debt/EBITDA ratio Net debt as a relation to Operating profit before depreciation and amortisation (EBITDA).

Net debt/equity ratio Net debt as a relation to shareholders equity.

Return on equity Profit after tax for the period, rolling twelve month value, as a percentage of the average shareholders' equity excluding shares without controlling interests.

Return on capital employed Operating profit (EBIT), rolling twelve month value, as a percentage of the average capital employed. Capital employed refers to Net debt plus shareholders equity plus shareholders loan.

Interest coverage ratio Profit after financial items plus financial expenses in relation to financial expenses.

Alimak Group in brief

Alimak Group is a leading global industrial group designing, developing, manufacturing, distributing and servicing vertical access solutions. The group has been a pioneer and an industry leader in supplying elevators, hoists and work platforms based on rack-and-pinion technology for more than 65 years. The Group operates in the premium and mid-market segments in mature and emerging markets, with its business model focused on providing specific and comprehensive solutions to meet the various vertical access needs of its customers across different industries and geographies. At the core of the group's products are the Alimak and Hek rack-and-pinion elevator, hoist and work platform brands as well as the recently added Heis-Tek traction elevator brand. The Group enjoy strong market recognition and its products are known for their strong safety record, high quality and durability.

REVIEW REPORT

Alimak Group AB, corporate identity number 556714-1857

Introduction

We have reviewed the condensed interim report for Alimak Group AB as at March 31, 2015 and for the three months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, May 13, 2015

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

THE COMPANY

Alimak Group AB
Brunkebergstorg 5
SE-111 51 Stockholm,
Sweden

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Citigroup Global Markets Limited
Citigroup Centre
33 Canada Square, Canary Wharf
London E14 5LB
United Kingdom

Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

JOINT BOOKRUNNER

Carnegie Investment Bank AB (publ)
Regeringsgatan 56
103 38 Stockholm
Sweden

LEGAL ADVISORS

To the Company

As to U.S. and English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

As to Swedish law

Linklaters Advokatbyrå AB
Regeringsgatan 67
Box 7833
SE-103 98 Stockholm
Sweden

To the Managers

As to U.S., English and Swedish law

White & Case LLP

Biblioteksgatan 12
SE-114 85 Stockholm
Sweden

Eteläranta 14
FI-00130 Helsinki
Finland

5 Old Broad Street
London EC2N 1DW
United Kingdom

AUDITOR

Ernst & Young AB
Jakobsbergsgatan 24
SE-103 99 Stockholm
Sweden

Printed by RR Donnelley, 882776