

Information brochure

Information to Atlas Copco's shareholders prior to decision on the distribution of the shares in Epiroc at the Annual General Meeting of Atlas Copco on April 24, 2018

www.atlascopcogroup.com

Atlas Copco



This information brochure is not a prospectus. The information brochure is intended to be used as a basis for decision by the shareholders of Atlas Copco when resolving on the Board of Directors' proposal concerning distribution of the shares in the wholly owned subsidiary Epiroc to the shareholders of Atlas Copco. Provided that the Annual General Meeting of Atlas Copco on April 24, 2018 resolves on a distribution in accordance with the Board of Directors' proposal, no further actions are required by a shareholder in Atlas Copco in order to receive shares in Epiroc, except for being registered as a shareholder (directly registered or nominee registered) on the record date for the distribution of shares. Provided that the Annual General Meeting resolves on a distribution in accordance with the Board of Directors' proposal, a prospectus will be published prior to the listing of Epiroc's shares on Nasdaq Stockholm.

IMPORTANT INFORMATION

The Board of Directors of Atlas Copco has proposed that the Annual General Meeting to be held on April 24, 2018 resolves to distribute all of the shares in the wholly owned subsidiary Epiroc to the shareholders of Atlas Copco. This information brochure only contains general information and does not constitute a prospectus. Instead, the information brochure is to be used as decision-making material for shareholders. In connection with the planned listing of Epiroc's class A and class B shares on Nasdaq Stockholm, a prospectus will be prepared by Epiroc and submitted for approval by the Swedish Financial Supervisory Authority. The prospectus will contain detailed information about Epiroc and the risks associated with an investment in Epiroc's shares.

The information brochure is governed by Swedish law. Disputes arising in connection with the content of this information brochure or any subsequent legal relationships are to be settled exclusively by Swedish courts. This information brochure has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

Information for investors in the United States

The shares in Epiroc have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities legislation of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with any applicable securities legislation in the relevant state or any other jurisdiction of the United States. The Company expects to rely on the exemption from registration under Rule 12g3-2(b) of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), and accordingly the shares in Epiroc will not be registered under the U.S. Exchange Act and Epiroc will not be subject to the reporting requirement of the U.S. Exchange Act.

The shares in Epiroc have neither been approved nor disapproved by the United States Securities and Exchange Commission, any state securities authority or any other authority in the United States. Furthermore, the foregoing authorities have not passed upon the accuracy or adequacy of this information brochure. Any representation to the contrary is a criminal offence in the United States.

Forward-looking information and risk factors

The information brochure contains certain forward-looking information that reflects Atlas Copco's or Epiroc's present view of future events as well as financial and operational development. Words such as "intend"; "assess"; "expect"; "may"; "plan"; "believe"; "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information. Neither Atlas Copco nor Epiroc makes any undertakings that it will disclose updates or revisions of forward-looking information due to new information, future events or other such matters, other than what is required according to applicable legislation.

A number of factors may affect Atlas Copco's or Epiroc's operations. A description of material risk factors, pertaining to Epiroc, associated with the distribution of shares in Epiroc is included in the section "*Risk factors associated with the distribution of shares in Epiroc*" and a description of material risk factors for Epiroc will be found in a prospectus that will be published prior to the listing of Epiroc's shares on Nasdaq Stockholm.

Industry and market information

This information brochure contains industry and market information compiled based on information obtained from third parties. Neither Atlas Copco nor Epiroc assumes any responsibility for the accuracy of any industry or market information that is included in this information brochure. Information derived from a third party have been reproduced correctly and as far as Epiroc and Atlas Copco know and can ascertain, by comparisons with other published information from the third party concerned, no information has been omitted in a way which would make the published information incorrect or misleading.

Presentation of financial information

Certain financial and other information that is presented in the information brochure has been rounded off in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly correspond to the stated total amount. Unless otherwise explicitly stated, no information in the information brochure has been audited or reviewed by an auditor.

Additional information

This information brochure contains limited information with respect to Atlas Copco and Epiroc, and is supplemented by the public filings and reports of Atlas Copco, other information available on Atlas Copco's website and the listing prospectus for Epiroc that will be published prior to the distribution and listing of Epiroc. Shareholders may obtain the following information:

- Atlas Copco's annual report for the year 2017, available at: www.atlascopcogroup.com/en/investor-relations/financial-reports-presentations
- Atlas Copco's interim report on Q4 and full-year summary 2017, available at: www.atlascopcogroup.com/en/investor-relations/financial-reports-presentations
- Atlas Copco's annual reports for the years 2016 and 2015, available at: www.atlascopcogroup.com/en/investor-relations/financial-reports-presentations
- Additional information on Atlas Copco's business, financial condition, results of operations, cash flows and shares, available at: www.atlascopcogroup.com/en/investor-relations
- The listing prospectus for Epiroc, which will be published on Atlas Copco's and Epiroc's websites prior to the distribution and listing of the shares in Epiroc.

Shareholders are recommended to read the information outlined above along with this information brochure.

Table of contents

Background and reasons.....	3
Information regarding the proposed distribution of Epiroc.....	4
Comment from the President and CEO of Atlas Copco.....	5
Brief description of Epiroc.....	6
Summary financial information for Epiroc.....	12
Brief description of Atlas Copco, excluding Epiroc.....	15
Summary financial information for Atlas Copco, excluding Epiroc.....	18
Epiroc's Board of Directors and Executive Management.....	20
Share capital and ownership.....	23
Risk factors associated with the distribution of shares in Epiroc.....	25
Taxation in Sweden.....	27
Taxation in the United States.....	28
Financial definitions.....	29

Definitions

"Atlas Copco" refers to, depending on the context, Atlas Copco Aktiebolag, reg. no. 556014-2720, or the group in which Atlas Copco Aktiebolag is the parent company.

"Euroclear" refers to Euroclear Sweden AB.

"Epiroc" refers to, depending on the context, Epiroc Aktiebolag, reg. no. 556041-2149, or the group in which Epiroc Aktiebolag is the parent company.

"SEK" refers to the Swedish krona, "MSEK" refers to millions of Swedish krona and "BSEK" refers to billions of Swedish krona.

Important dates

Record date for attendance and final date to provide notification of attendance at Atlas Copco's Annual General Meeting:	April 18, 2018
Annual General Meeting of Atlas Copco:	April 24, 2018
Expected distribution of and first day of trading in Epiroc class A and class B share:	During June 2018

Attendance at Atlas Copco's Annual General Meeting

Information regarding the right to participate and how to register for attendance at Atlas Copco's Annual General Meeting to be held on April 24, 2018 can be found in the notice convening the Annual General Meeting, which is published on Atlas Copco's website, www.atlascopcogroup.com/en/investor-relations/corporate-governance/annual-general-meeting.



Background and reasons

On January 16, 2017, Atlas Copco announced its intention to distribute its Mining and Rock Excavation Technique business area, as well as its Hydraulic Attachment & Tools business (previously referred to as a part of the Construction Tools division), Epiroc, to its shareholders and list Epiroc on Nasdaq Stockholm.

The Board and Management believe that long-term shareholder value will be created by splitting the group into two separate companies. Atlas Copco's customers are active in different industries, such as the mining-, construction-, manufacturing- and process industry, with different demand drivers. A split from Atlas Copco and a distribution and listing of the shares in Epiroc is expected to increase focus, customer value and development opportunities and to enable Epiroc to successfully realize its strategies under the leadership of a separate management team, with a separate Board of Directors and independent access to capital. As separate companies, Atlas Copco and Epiroc are also better positioned to meet the different challenges and demand drivers faced by the industries they are active in. A listing also provides opportunity for current and new shareholders to invest directly in Epiroc.

Epiroc's heritage dates back to 1873 when André Oscar Wallenberg and associates founded the company Atlas in Stockholm, producing equipment for the Swedish railway network. The first rock drill was produced in 1905 and Atlas Copco has over the years developed to be one of the leading companies in rock drilling and excavation equipment and services for mining and infrastructure. Epiroc aims to be a productivity partner to its customers and help them create value. Epiroc focuses on niches and applications where there is a need for performance critical equipment and services, and where customers focus on productivity and total cost of ownership. Epiroc strives to develop strong customer relations through interaction, collaboration and commitment to innovation, safety and sustainability. Epiroc operates at a global scale, with sales in approximately 150 countries across the globe. In 2017, Epiroc generated revenue of MSEK 31 440 and had 12 948 employees on December 31, 2017. In 2017, Epiroc accounted for 27 percent of Atlas Copco's revenues.

The Board of Directors of Atlas Copco has proposed that the Annual General Meeting to be held on April 24, 2018 decides to distribute all shares in Epiroc to the shareholders of Atlas Copco. The first day of trading in Epiroc's shares is expected to be in June, 2018.

Nacka, March 20, 2018

Atlas Copco Aktiebolag
The Board of Directors

Information regarding the proposed distribution of Epiroc

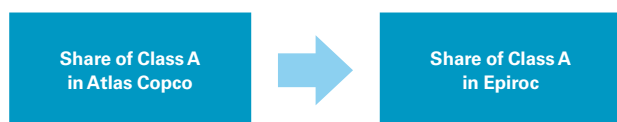
Resolution on distribution

Provided that the Annual General Meeting of Atlas Copco on April 24, 2018 resolves¹⁾, in accordance with the Board of Directors' proposal, to distribute all shares in the wholly owned subsidiary Epiroc to the shareholders of Atlas Copco, shareholders of Atlas Copco who on the record date for the distribution are registered as shareholders are entitled to receive one share in Epiroc for each share of the same series held in Atlas Copco. Aside from being registered as a shareholder on the record date for distribution (directly registered or nominee registered), no further actions are required in order to receive shares in Epiroc. The distribution of the shares is expected to be carried out pursuant to the requirements of the Swedish "Lex ASEA" rules regarding taxation. For further information, please see the section "Taxation in Sweden".

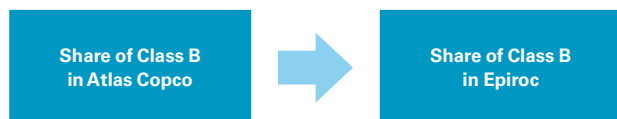
Distribution ratio

All shares in Epiroc will be distributed to the shareholders of Atlas Copco. Each share of Class A in Atlas Copco entitles to one share of Class A in Epiroc and each share of Class B in Atlas Copco entitles to one share of Class B in Epiroc. At general meetings of Epiroc, each share of Class A entitles to one vote and each share of Class B entitles to 1/10 vote.

Example – Distribution of shares



One share of Class A in Atlas Copco entitles to one share of Class A in Epiroc



One share of Class B in Atlas Copco entitles to one share of Class B in Epiroc

Record date

The Board of Directors proposes that the Annual General Meeting of Atlas Copco authorizes the Board of Directors to determine the record date for entitlement to receive shares in Epiroc. The Board of Directors of Atlas Copco intends to

execute the distribution of the shares in Epiroc in June 2018.

The record date is expected to take place in close relation to the listing of the shares in Epiroc.

Receipt of shares

Those entered in the shareholders' register of Atlas Copco kept by Euroclear on the record date for the distribution will receive shares in Epiroc without taking any further actions. The Epiroc shares will be available on the securities account (Sw. *värdepapperskonto*) of each shareholder entitled to receive the distribution (or the securities account belonging to the party who is otherwise entitled to receive the distribution) two banking days after the record date. Thereafter, Euroclear will send a statement containing information on the number of shares registered in the securities account of the recipient.

Nominee-registered holdings

Shareholders whose holdings in Atlas Copco are nominee registered with a bank or other nominee will not receive an account statement from Euroclear. Notification will instead be made in accordance with the procedures of the various nominees.

Listing of shares in Epiroc

The Board of Directors of Epiroc intends to apply for listing of Epiroc's shares of Class A and shares of Class B on Nasdaq Stockholm. The first day of trading in Epiroc's shares is expected to occur in June 2018, in connection with the distribution. Information regarding the ISIN code and ticker symbol (Sw. *kortnamn*) for Epiroc's shares will be available in the prospectus that will be published before the listing of Epiroc's shares.

Holders of Atlas Copco American Depositary Receipts

Pursuant to the terms of the deposit agreements under which the American Depositary Receipts representing Class A shares and Class B shares of Atlas Copco were issued, it is expected that Citibank, N.A., as depositary, will sell the shares in Epiroc distributed in respect of the Class A and Class B shares of Atlas Copco deposited in the American Depositary Receipt facilities. The net cash proceeds from the sale of the shares in Epiroc will be distributed by the depositary to the holders of American Depositary Receipts representing Class A shares and Class B shares of Atlas Copco, respectively, on a pro rata basis.

1) The resolution will be validly adopted if shareholders holding no less than half of the votes cast at the annual general meeting vote in favour of the resolution.

Comment from the President and CEO of Atlas Copco

Atlas Copco has long been on the forefront when it comes to innovation in mining. One historic example is the so-called “Swedish method” that Atlas Copco developed in the 1940s that allowed one single person to operate a lightweight rock drill; it was a groundbreaking approach that became a global success. This innovative spirit that produces disruptive technologies is very much alive in Epiroc, the company we have created mainly from Atlas Copco’s business area Mining and Rock Excavation Technique.

To enable Epiroc to reach its maximum potential it needs full focus. That is what the split of the Atlas Copco Group is about – enhancing the focus thanks to dedicated management teams and Boards at Atlas Copco and Epiroc. The split of the Group into two separate companies is very logical. The businesses have limited synergies, and different customers and demand drivers. The split will increase their respective abilities to add value to customers, grow the business and attract talent. Now is the right time to do this.

Demand for Epiroc’s products and services is likely to keep growing long-term. Several major trends are pushing in that direction. For example, the ongoing urbanization in countries like China requires large amounts of minerals for the construction of infrastructure. Another driver is the global community’s effort to reduce CO2 emissions; Epiroc is on the cutting edge of energy efficiency, for example with its battery-operated, emissions-free underground mining vehicles that make mines cleaner and save customers money. The growing recognition among customers of operator safety and ergonomics is also supporting demand. Yet another important factor is the growing drive toward automation and digitalization of mines, which will enable mining companies to make significant productivity gains.

Epiroc’s brand promise is *United in performance. Inspired by innovation.* It summarizes well what the company is about: having a passion for continuously finding new and better solutions that create value for customers. The upcoming listing of Epiroc is an exciting time for its employees and customers, as well as for Atlas Copco’s shareholders who will become Epiroc shareholders. We feel some sadness about parting after such a long history together, but we know it is the right thing to do. We are looking ahead, and the future looks bright for both companies.

Sincerely yours,

Mats Rahmström, President and CEO
Nacka, March 20, 2018

Brief description of Epiroc

Overview

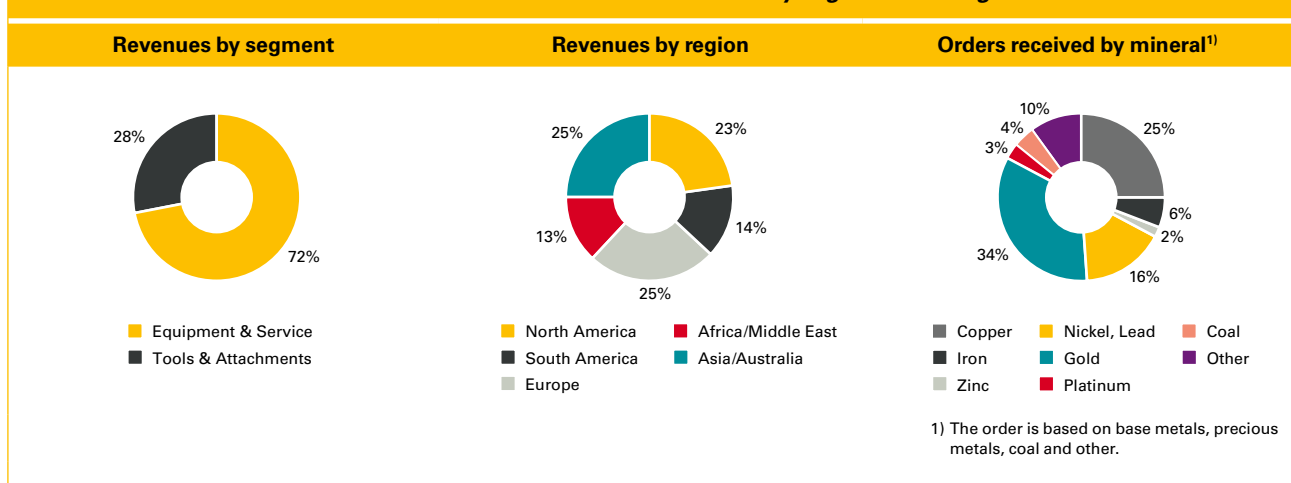
Epiroc is a leading global provider of solutions for rock drilling and excavation, demolition and recycling, with a wide range of equipment, service offerings and related spare parts and consumables. Epiroc’s products and services are sold in approximately 150 countries with principal product development and manufacturing units located in Sweden, the United States, Canada, China and India. Epiroc’s headquarters are located in Stockholm, Sweden, and Epiroc had 12 948 employees as of December 31, 2017.

Epiroc primarily operates in selected niches of the global mining, natural resources and infrastructure industries. Epiroc focuses on applications where there is a need for performance critical equipment and services, with significant aftermarket requirements over the equipment lifecycle and where customers focus on productivity and total cost of ownership. Epiroc strives to develop and enhance its strong customer relationships through collaboration and commitment to innovation, safety and sustainability.

The equipment is primarily sold directly to the end user through Epiroc’s extensive global sales network and to a lesser extent through distributors and to equipment rental companies. In addition, Epiroc has a large global service organization supplying services and spare parts. Equipment sales are often bundled with contracts that include services, spare parts and consumables, in order to ensure availability as well as optimize customer productivity and total cost of ownership.

Epiroc has two reporting segments – Equipment & Service and Tools & Attachments. Equipment & Service provides a wide range of equipment for mining and rock excavation, exploration and infrastructure and has a large service organization. Tools & Attachments mainly provides tools that are attached to larger machines that are used for drilling, demolition, and recycling as well as rock excavation. Furthermore, Tools & Attachments provides service for the tools sold by the segment.





Share of revenues and orders received 2017 by segment and region



Approximately two thirds of Epiroc’s revenues are attributable to the mining and natural resources industries. Applications include production and development work for both underground and open-pit mines, mineral exploration and drilling for water, energy, oil and gas. Epiroc provides rock drilling equipment, equipment for mechanical rock excavation and rock reinforce-

ment, rock drilling tools, hydraulic attachments and tools, loading and haulage equipment, utility vehicles, ventilation systems, exploration drilling equipment, solutions for automation, rig control and telematics, as well as related spare parts and service.

Overview of mining and natural resources applications and product offering





Application	Underground mining	Surface mining	Exploration	Geotechnical, well drilling, oil and gas
Offering	<ul style="list-style-type: none"> • Underground drill rigs • Underground loading and haulage • Mechanical rock excavation • Ground support equipment • Ventilation systems • Rock drilling tools • Hydraulic attachments • Service and spare parts 	<ul style="list-style-type: none"> • Surface drill rigs • Rock drilling tools • Hydraulic attachments • Service and spare parts 	<ul style="list-style-type: none"> • Underground core drill rigs • Surface core drill rigs • Reverse circulation drill rigs • Rock drilling tools • Service and spare parts 	<ul style="list-style-type: none"> • Water well drill rigs • Oil and gas drill rigs • Rock drilling tools • Hydraulic attachments • Service and spare parts
Product example				

Infrastructure applications represent approximately one third of Epiroc’s revenues.

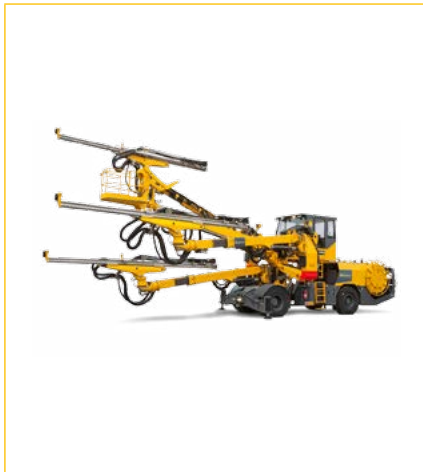
Applications include blasthole drilling for tunneling, road, railway and dam construction, aggregate production and other construction work, drilling for water, energy, oil and gas, demolition of buildings, bridges and industrial plants as well as applications for ground engineering. For infrastructure

applications, Epiroc provides rock drilling equipment, equipment for mechanical rock excavation and rock reinforcement, rock drilling tools, hydraulic attachments and tools, utility vehicles, ventilation systems, ground engineering equipment, drilling equipment for water, energy, oil and gas, solutions for automation, rig control and telematics, as well as related spare parts and services.

Overview of infrastructure applications and product offering

Application	Underground civil engineering	Surface civil engineering and urban development	Quarrying	Deconstruction and recycling
Offering	<ul style="list-style-type: none"> • Underground drill rigs • Underground loading and haulage • Ground support equipment • Ventilation systems • Rock drilling tools • Hydraulic attachments • Underground core drill rigs • Service and spare parts 	<ul style="list-style-type: none"> • Surface drill rigs • Well drill rigs • Rock drilling tools • Hydraulic attachments • Service and spare parts 	<ul style="list-style-type: none"> • Surface drill rigs • Diamond wire cutting machines • Hydraulic dimensional stone drill rigs • Hydraulic attachments • Service and spare parts 	<ul style="list-style-type: none"> • Hydraulic attachments – Breakers, cutters, pulverizers, grapples, magnets, compactors, bucket crushers etc. • Service and spare parts
Product example				

A selection of Epiroc's offering is shown below



Underground drill rigs
Hydraulic rigs for blast hole drilling in underground mining and tunneling



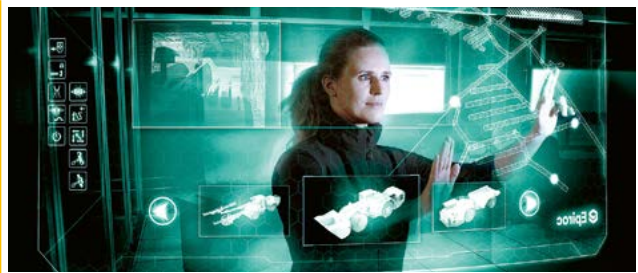
Underground loading and haulage equipment
Electric and diesel powered loading and haulage machines for underground applications



Surface drill rigs
Pneumatic and hydraulic drill rigs for various surface drilling applications



Service and spare parts
Service and spare parts to enable high productivity for Epiroc's customers



Automation, rig control systems and telematics
Solutions for automation, equipment for rig control and remote diagnostics, and telematics for remote operation



Well drilling rigs
Water well drilling rigs for down the hole (DTH), rotary air and mud drilling applications



Rock drilling tools
Drill bits, rods, tubes, shank adapters, couplings and grinding equipment for underground as well as surface drilling

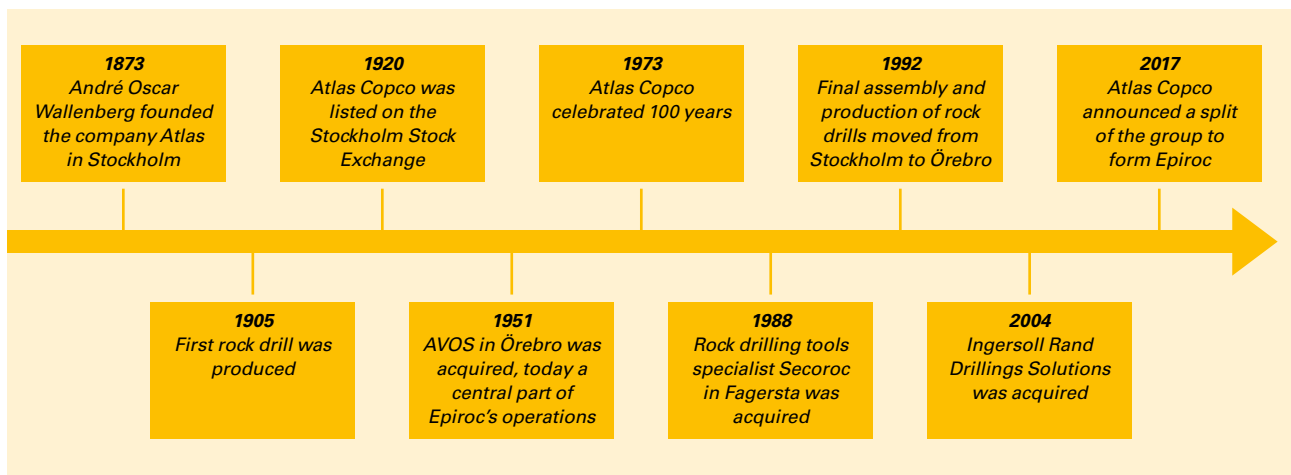


Hydraulic breakers
Concrete and rock breaker ranges for excavators

Epiroc's history

Epiroc has a long history as part of Atlas Copco that was founded in 1873 for the production of equipment for the Swedish railway system. In 1905, Atlas Copco introduced the first rock drill, which set the foundation for Epiroc's core business of today. In 1920 Atlas Copco was listed on the Stockholm Stock Exchange. In the years to come, more rock drilling and excavation equipment for the mining and infrastructure industries were invented and the business that is Epiroc today became a large part of Atlas Copco's operations. In 1951 Atlas Copco acquired "Växlar och Signaler" (AVOS) in Örebro which produced systems for the railroad, and today the location

is an important competence center and a central hub for Epiroc's operations. Several companies have been acquired and integrated over the years, for example Secoroc and Ingersoll Rand Drilling Solutions that were acquired in 1988 and 2004, respectively. Also, a number of groundbreaking innovations that have changed the industry fundamentally have been made. Today Epiroc is a leading company in the mining, natural resources and infrastructure industries, and strives to develop advanced innovative and modern solutions for the future in the same way as it did over 100 years ago.



Vision and mission

Epiroc's vision is to be the customers' first choice and the mission is to be the leading global productivity partner and to deliver profitable revenue growth.

Strategy

Epiroc's strategy is focused on four areas in order to achieve its mission:

- **Innovation and expertise:** Maintain speed in innovation and a leadership in automation, interoperability and digitalization with a focus on the customer's total cost of ownership.
- **Safety and sustainability:** Strong focus on safety throughout the entire value chain and integrating sustainability in all parts of operations.
- **Presence and penetration:** Expand market leadership in selected market niches and increase market and customer penetration.
- **Operational and service excellence:** Increase and develop the service offering and improve performance by growing the service business and continue developing scalable and lean manufacturing.

People and leadership

A talented workforce is essential to execute on Epiroc's strategy. Epiroc strives to attract and develop hard working, curious, passionate and dedicated employees and leaders that are focused on results. Epiroc strives to have a diversified workforce in terms of nationality, gender, age, experience and education.



Financial goals and dividend policy

Epiroc's goal is to provide superior value creation through a combination of strong operating performance, efficient use of capital, and stable and rising dividends to its shareholders. This will be achieved through agile adaption to cyclical capital equipment demand, combined with a resilient and growing aftermarket business.

Target	Description	Epiroc average performance 2015–2017
Growth (Revenue CAGR¹⁾)	Epiroc's goal is to achieve an annual revenue growth of eight percent over a business cycle, and to grow faster than the market. Growth will be organic and supported by selective acquisitions.	4.7%
Profitability (Average operating margin)	Epiroc's goal is to have an industry-best operating margin, with strong resilience over the cycle.	17.9%
Capital efficiency (Average ROCE)	Epiroc's goal is to improve capital efficiency and resilience. Investments and acquisitions shall create value.	24.3%
Capital structure	Epiroc is to have an efficient capital structure and have the flexibility to make selective acquisitions. The goal is to maintain an investment grade rating.	–
Dividend policy	Epiroc's goal is to provide long-term stable and rising dividends to its shareholders. The dividend should correspond to 50% of net profit over the cycle.	–

1) Compounded annual growth rate.

Strengths and competitive advantages

Leadership in attractive, structural growth niches in the mining and infrastructure markets

Epiroc operates in what the Epiroc management considers to be selected attractive niches of the global mining and infrastructure equipment and services markets and is a leading player globally in most of its product areas. A few key features characterize Epiroc's addressed markets. These include, but are not limited to, multiple structural growth drivers, the requirement for performance-critical technology and solutions that have a significant impact on customer productivity despite representing a relatively small part of their overall costs, the requirement for customer closeness and collaboration, and significant aftermarket requirements over the equipment lifecycle. Epiroc believes that its leading competitive position results from its extensive direct global sales and services footprint, its long-term customer relationships, its proprietary and unique know-how in highly demanding hard rock applications, its long heritage of technology and innovation leadership, and its large global installed base.

Strong and proven operating model

Epiroc's operating model is characterized by focused and decentralized businesses, a global presence, a strong services business and a flexible manufacturing setup. Epiroc's mission is to be the global productivity partner for its customers. This is enabled by Epiroc's strong sales and services footprint globally, as well as the ability to create customer value through innovative solutions targeted to address the customers' key challenges. Epiroc's asset-light manufacturing and logistics set-up have been organized to be able to adapt quickly and effectively to changes in demand. Epiroc's management believes that these guiding principles are an important driver of the company's long-term success in its addressed markets.

Resilience driven by high aftermarket exposure

Approximately two-thirds of Epiroc's revenues are driven by the mining and infrastructure aftermarket; i.e. its customers' operating expenditure on services, spare parts and consumables. Customers' operating expenditure on the aftermarket tends to be recurring and relatively stable through the cycle. For example, when capital expenditure is reduced during a downturn, maintenance, refurbishment and overhaul of equipment is even more important to extend equipment life; meanwhile when there is growth in capital expenditure on equipment, this drives growth in the aftermarket because of a larger fleet of equipment. As a result, Epiroc has displayed more resilient earnings and cash flow performance in recent years relative to other mining and infrastructure equipment companies.

Driving the future in intelligent mining and infrastructure

Through its long heritage of technology and innovation with leading R&D competence, Epiroc's management considers Epiroc to be at the forefront of breakthrough technologies in its addressed markets. Epiroc's solutions are targeted towards solving its customers' key issues including their requirements to reduce operating costs, increase productivity, increase utilization of their equipment, reduce their environmental impact, and enhance health and safety conditions of their employees. Some of the key innovations developed and commercialized by Epiroc include battery-operated equipment to achieve a "fossil free mine"; increasingly automated equipment to improve employee health and safety conditions and drive higher equipment utilization rates; mechanical rock excavation as an alternative to drilling and blasting to improve efficiency and employee safety; and higher connectivity across the equipment fleet enabling predictive maintenance, real-time asset positioning, and a higher degree of process control, partially through partnerships

with other equipment and service providers, including Mobilaris and Saab Combitech.

Value creation potential as a standalone company

As an independent company, Epiroc will be able to increase focus, customer value and development opportunities under the leadership of a dedicated management team and Board of Directors. Epiroc's management team brings significant individual experience to the overall team, and together represents a strong combination of skills, management experience and relevant business and market knowledge to deliver Epiroc's strategy, further supported by a Board of Directors with significant relevant experience. In addition, with independent access to capital, Epiroc will be in a better position to deploy capital towards selected value-creating acquisitions, further building upon its strong track record in identifying and integrating bolt-on opportunities.

Industry-leading financial performance

As a result of Epiroc's various strengths, the business has demonstrated a strong track record of revenue growth, profitability and cash generation over time. Compound annual organic growth since 2010 has been approximately four percent for Atlas Copco's business area Mining and Rock Excavation Technique, which the management team considers to be a good proxy for Epiroc's performance. Epiroc had an annual revenue growth of 4.7 percent in the period 2015–2017. Epiroc has achieved an average operating margin of around 18 percent during the years 2015–2017. In addition, Epiroc has strong cash flow generation supported by efficient working capital and has achieved a return on capital employed of or above 20 percent in every year since 2015. The performance of Atlas Copco's business area Mining and Rock Excavation Technique over a longer period of time, since 2010, also provides a consistent and similar message. Epiroc's management team believes that this financial performance provides evidence of its key strengths.

Summary financial information for Epiroc

The following tables display a summary of financial information for Epiroc for the period 2015–2017. The majority of the functions and processes created to make Epiroc an independent company, separate from Atlas Copco, have been implemented in 2017 and 2018. This means that the financial information is not fully representative in terms of the standalone costs related to these functions and processes. The company believes that 2019 will be the first full-year in which costs related to the new functions and processes will generate full effects. Furthermore, Epiroc, as part of Atlas Copco, has not had any external financing. However, Epiroc has obtained financing commitments from a bank consortium prior to the planned listing. For

more information about Epiroc’s financing agreements, please see “*Summary financial information for Epiroc – Financing*”. This means that historical financial figures related to interest-bearing liabilities, taxes and financial net is not representative of the effect from such financing agreement.

The full combined financial statements will be published in a prospectus prior to the listing of the shares in Epiroc on Nasdaq Stockholm. These will be prepared in accordance with International Financial Reporting Standards (“IFRS”), the Swedish Financial Reporting Board’s recommendation RFR 1, “Supplementary Accounting Rules for Groups”, and the Swedish Annual Accounts Act.

Selected combined income statement data

MSEK	2017	2016	2015
Revenues	31 440	27 102	28 663
Cost of sales	-20 157	-18 003	-18 463
Gross profit	11 283	9 099	10 200
Operating profit	5 949	4 548	5 175
Net financial items	-136	-137	-220
Profit before tax	5 813	4 411	4 955
Net profit for the period	4 313	3 231	3 571

Condensed combined balance sheet

MSEK	2017	2016	2015
ASSETS			
Non-current assets			
Intangible assets	3 121	3 185	3 062
Rental equipment	1 215	1 370	1 404
Other property, plant and equipment	2 271	2 285	2 398
Other non-current assets	1 602	1 861	1 748
Total non-current assets	8 209	8 701	8 612
Current assets			
Inventories	8 272	7 061	7 153
Trade and other receivables	7 633	6 578	6 122
Other current assets	1 439	7 163	6 070
Cash and cash equivalents	1 808	481	461
Total current assets	19 152	21 283	19 806
TOTAL ASSETS	27 361	29 984	28 418
TOTAL EQUITY			
	12 108	15 813	14 929
LIABILITIES			
Non-current liabilities	2 720	4 649	4 568
Current liabilities	12 533	9 522	8 921
Total liabilities	15 253	14 171	13 489
TOTAL EQUITY AND LIABILITIES	27 361	29 984	28 418

Condensed combined cash flow statement

MSEK	2017	2016	2015
Operating profit	5 949	4 548	5 175
Adjustment for non-cash items	1 121	868	1 146
Net financial items received/paid	-344	-40	23
Tax paid	-666	-511	-294
Pension funding and payment of pension to employees	-90	-67	-45
Changes in working capital	-423	895	417
Net investments in rental equipment	-371	-291	-564
Cash flow from operating activities	5 176	5 402	5 858
Cash flow from investing activities¹⁾	5 543	-1 805	-3 175
Cash flow from financing activities²⁾	-6 061	39	134
Cash flow for the period	4 658	3 636	2 817
Cash and cash equivalents, beginning of the period	481	461	530
Exchange differences in cash and cash equivalents	-39	39	-27
Transactions with owner ³⁾	-3 292	-3 655	-2 859
Cash and cash equivalents, end of the period	1 808	481	461

1) The positive cash flow from investing activities derives from the change in cash pool with Atlas Copco. By December 31, 2017, most subsidiaries had migrated to the Epiroc cash pool, implying a reduction of cash receivables towards Atlas Copco.

2) In 2017, Epiroc paid a dividend of MSEK 5 178 to Atlas Copco.

3) Transaction with owners consist of group contribution net of effective tax, transfer of subsidiaries and transfer of assets and liabilities between Atlas Copco and Epiroc.

Revenues per reporting segment and geography

Revenues per segment

MSEK	2017	2016	2015
Equipment & Service	22 459	18 898	20 317
Tools & Attachments	8 738	7 925	8 088
Other ¹⁾	243	279	258
Total revenues	31 440	27 102	28 663

1) Revenues from operating leases (customer financing) and eliminations.

Revenues per geography

MSEK	2017	2016	2015
North America	7 154	6 245	6 722
South America	4 286	3 537	4 136
Europe	8 011	6 895	6 625
Africa/Middle East	4 095	3 840	4 522
Asia/Australia	7 894	6 585	6 658
Total revenues	31 440	27 102	28 663

Key ratios

MSEK (if not else stated)	2017	2016	2015
Operating profit margin, %	18.9	16.8	18.1
Capital employed	21 708	23 167	21 727
Return on capital employed, %	28.4	20.0	24.4
Equity/assets ratio, %	44.3	52.7	52.5

Financing

Epiroc is currently financed primarily through intra-group financing from Atlas Copco. The ambition is that net debt¹⁾ on March 31, 2018 will amount to approximately BSEK 3, corresponding to a net debt in relation to EBITDA 2017 of 0.4. Neither dividends nor capital contributions to or from Epiroc Group to Atlas Copco Group should occur after March 31, 2018, implying that cash flow generated in Epiroc thereafter will remain in Epiroc. Further, Epiroc plans, subject to approval at Atlas Copco's Annual General Meeting on April 24, 2018 of the distribution and Epiroc's long term incentive program, to hedge the long term incentive program through repurchase of Epiroc

shares. This action will affect cash flow and net debt in Epiroc following the listing. In connection with the listing of Epiroc's shares, the intragroup financing in the Epiroc Group from Atlas Copco will be refinanced with a bank bridge loan and existing cash. Epiroc has obtained financing commitments from a bank consortium for a bridge loan, as well as a revolving credit facility. After the listing of the Epiroc shares, there will be no loans nor derivatives outstanding between Epiroc Group and Atlas Copco Group. The Company intends to replace the bridge loan facility with medium and/or long term financing following the listing.

1) See the section "Financial definitions" for Epiroc's definition of net debt.

Brief description of Atlas Copco, excluding Epiroc

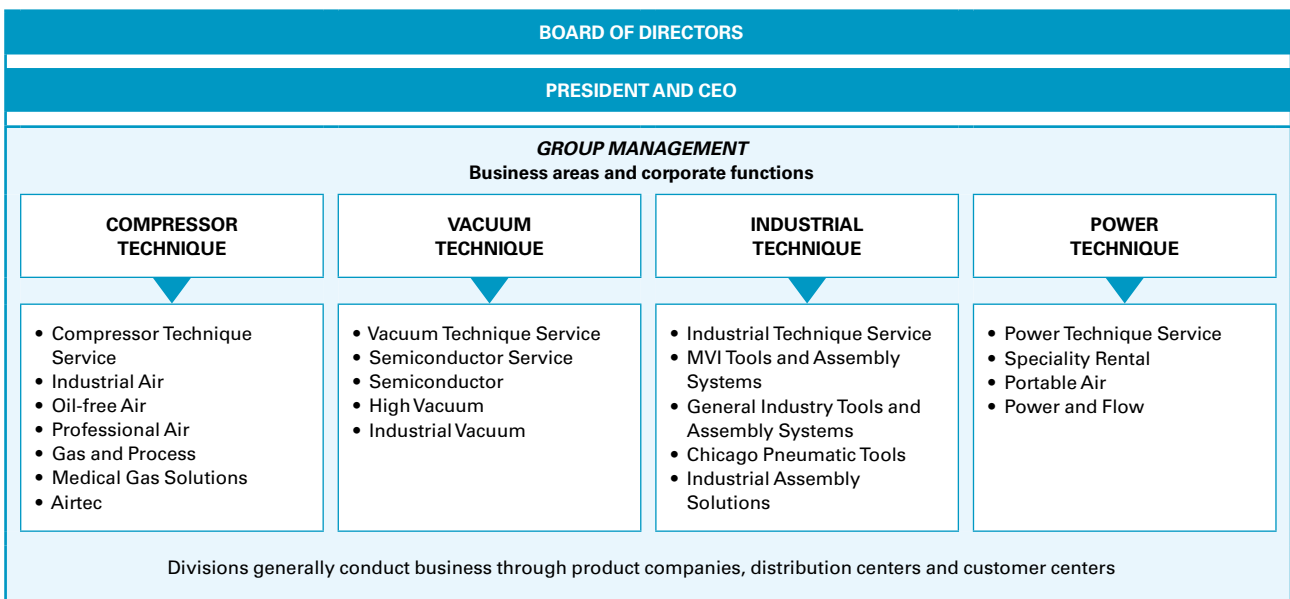
Overview

Atlas Copco, excluding Epiroc, is a world-leading provider of sustainable productivity solutions. Atlas Copco offers customers innovative compressors, air treatment systems, vacuum solutions, industrial power tools and assembly systems, and power and flow solutions. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics. Principal product development and manufacturing units are located in Sweden, Belgium, France, Germany, Italy, Czech Republic, United Kingdom, United States, China, India, South Korea and Japan. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries. In 2017, Atlas Copco, excluding Epiroc, had revenues of BSEK 86 and approximately 34 000

employees. Atlas Copco’s shares are listed on Nasdaq Stockholm.

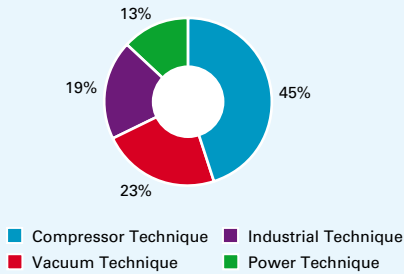
More than half of Atlas Copco’s revenues are attributable to the manufacturing industry. Customer engagement, sales and service take place through direct and indirect channels (mainly distributors) as well as through digital channels, in order to maximize market presence. Atlas Copco has a large service organization and more than 30 percent of the revenue is generated from non-equipment sales.

Atlas Copco’s organization is based on the principle of decentralized responsibilities and authorities. Atlas Copco is organized in four business areas comprised of 21 divisions.

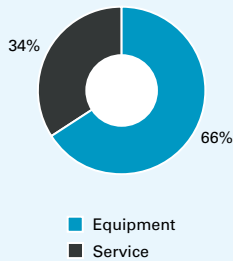


Share of revenue by business area, business type, region and orders received by customer category full year 2017:

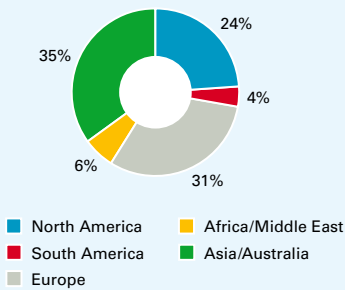
Share of revenue by business area



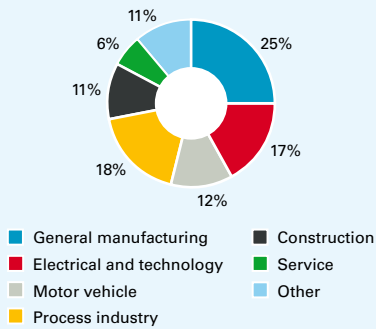
Revenue per business type



Revenues per region



Orders received by customer category



Vision and mission

The Atlas Copco Group’s vision is to become and remain First in Mind – First in Choice® for its customers and other principal stakeholders. The mission is to achieve sustainable, profitable growth, with responsible use of resources – human, natural and capital.

Strategy

Atlas Copco has identified five strategic pillars, critical for achieving its mission: people, innovation, presence, operational excellence, and service.

- **People:** Attract and develop qualified and motivated employees and find ways to reduce their time to competence.
- **Innovation:** Invest in research and development and continuously launch new products and services that increase customers’ productivity.
- **Presence:** Increase market presence and penetration and expand the product and service offering in selected market segments.
- **Operational excellence:** Continuously strive for improved operational performance with an efficient and responsible use of resources – human, natural and capital.
- **Service:** Increase the service offer, perform service on a higher share of the installed base of equipment, and give customers peace of mind.

To safeguard that the strategic pillars give truly sustainable and lasting results, Atlas Copco has established five priorities to complement the strategic pillars. The priorities – ethics, safety and well-being, innovation, competence, and resources – were identified following an extensive consultation with Atlas Copco’s stakeholders. Key performance indicators to measure the performance on these priorities have been identified and implemented in the organization and new goals were presented during the autumn 2016.

Financial targets and dividend policy

The financial goals, annual revenue growth of eight percent over a business cycle, sustained high return on capital employed and to distribute about 50 percent of earnings as dividends to shareholders, remain unchanged.

Strengths and competitive advantages

Leading market position and strong brands

Atlas Copco strives to be a leader in profitable business niches, and has a leading market position globally in most of its operations. Within the Atlas Copco Group, several strong brands operate to cover different geographies and different customer needs. By providing key products, vital in customers' operations, Atlas Copco can help customers in their success. With a strong focus on innovation, Atlas Copco is able to continuously develop and launch new products and services that deliver more uptime, better ergonomics, safety and energy efficiency, which leads to improved productivity for Atlas Copco's customers.

Strong and proven operating model

Atlas Copco is characterized by focused businesses, a global presence, a strong, stable and growing service business, professional people, and an asset-light and flexible manufacturing setup. By providing professional service, technical competence and application knowledge, Atlas Copco builds close customer relationships through direct, indirect and digital channels. The manufacturing philosophy is to manufacture in-house those components that are critical for the performance of the equipment. For other components, Atlas Copco leverages the capacity and the competence of business partners and cooperates with them to continuously achieve product and process improvements. Approximately 75 percent of the production cost of equipment represents purchased components and about 25 percent are internally manufactured core components, assembly costs and overhead.

Stability thanks to diversified customer base, geography, service and integrated sustainability and aftermarket exposure

Different customer segments have different demand patterns which may shift over time. Atlas Copco's customer base is well spread over almost any kind of manufacturing industry, process industry, public service, construction and more, all over the world. The revenue is generated with about one third from the Americas, one third from Europe and one third from Asia. More than one third of the revenue comes from service.

Track record of strong and stable profitable growth*

With Atlas Copco's leading market position, strong portfolio of businesses and products, undoubted focus on innovation, strong service offering, capacity for strategic acquisitions, world-class people and a decentralized leadership model, Atlas Copco has over time shown sustainable profitable growth. For the period 2010–2017 the compounded annual growth rate was about 10.4 percent. During the same period, the average operating profit margin was about 20.8 percent. Total average capital distribution to shareholders in the same period corresponded to a yield of 4.2 percent.

Sustained high return on capital employed*

Thanks to the high value product offering, the strong service business, asset light operations, and a variable cost structure, Atlas Copco is able to deliver a high return on capital employed over several business cycles. For the period 2010–2017, the average ROCE was 28 percent.

* Numbers refers to Atlas Copco excluding Mining and Rock Excavation Technique business area.

Summary financial information for Atlas Copco, excluding Epiroc

The tables below present selected financial information for the fiscal year 2017 for Atlas Copco, Epiroc and Atlas Copco excluding Epiroc, which represents the remaining operations in Atlas Copco after the distribution of Epiroc. The basis for the

financial information in this section is Atlas Copco's annual report and the combined financial statements for Epiroc, which will be presented in a prospectus that will be published prior to the listing of the shares in Epiroc on Nasdaq Stockholm.

Selected income statement data

MSEK	Atlas Copco excl. Epiroc 2017 ¹⁾	Epiroc 2017 ¹⁾	Atlas Copco 2017
Revenues	85 522	31 440	116 421
Cost of sales	-48 489	-20 157	-68 105
Gross profit	37 033	11 283	48 316
Operating profit	18 251	5 949	24 200
Net financial items	-935	-136	-1 071
Profit before tax	17 316	5 813	23 129
Profit for the year	12 380²⁾	4 313	16 693²⁾

1) The numbers include intercompany transactions between Epiroc and Atlas Copco.

2) Including Road Construction Equipment division divested in October 2017.

Condensed balance sheet

MSEK	Atlas Copco excl. Epiroc 2017 ¹⁾	Epiroc 2017 ¹⁾	Atlas Copco 2017
ASSETS			
Non-current assets			
Intangible assets	32 030	3 121	35 151
Rental equipment	1 719	1 215	2 934
Other property, plant and equipment	7 252	2 271	9 523
Other non-current assets	4 181	1 602	3 614
Total non-current assets	45 182	8 209	51 222
Current assets			
Inventories	10 143	8 272	18 415
Trade and other receivables	22 043	7 633	29 483
Other current assets ²⁾	4 798	1 439	2 122
Cash and cash equivalents	22 688	1 808	24 496
Total current assets	59 672	19 152	74 516
TOTAL ASSETS	104 854	27 361	125 738
TOTAL EQUITY	48 615	12 108	60 723
LIABILITIES			
Non-current liabilities			
Current liabilities	27 946	12 533	36 171
Total liabilities	56 239	15 253	65 015
TOTAL EQUITY AND LIABILITIES	104 854	27 361	125 738

1) Including intercompany transactions between Epiroc and Atlas Copco.

2) Including income tax receivables, other current financial assets and assets held for sale.

Condensed cash flow statement*

MSEK	Atlas Copco excl. Epiroc 2017 ¹⁾	Epiroc 2017 ¹⁾	Atlas Copco 2017
Operating profit	18 235	5 949	24 184
Adjustment for non-cash items	4 065	1 121	5 186
Net financial items received/paid	673	-344	329
Tax paid	-6 640	-666	-7 306
Pension funding and payment of pension to employees	-1 190	-90	-1 280
Changes in working capital	1 638	-423	1 215
Net investments in rental equipment	-577	-371	-948
Cash flow from operating activities	16 204	5 176	21 380
Cash flow from investing activities	290	5 543	-758
Cash flow from financing activities	-8 275	-6 061	-7 745
Cash flow for the period	8 219	4 658	12 877
Cash and cash equivalents, beginning of the period	11 011	481	11 492
Exchange differences in cash and cash equivalents	166	-39	127
Transactions with owner/subsidiary ²⁾	3 292	-3 292	-
Cash and cash equivalents, end of the period	22 688	1 808	24 496

*Including Road Construction Equipment division divested in October 2017.

1) Including intercompany transactions between Epiroc and Atlas Copco.

2) Transactions with owner/subsidiary consist of group contribution net of effective tax, transfer of subsidiaries and transfer of assets and liabilities between Atlas Copco and Epiroc.

Key ratios

MSEK (if not else stated)	Atlas Copco excl. Epiroc 2017 ¹⁾	Epiroc 2017 ¹⁾	Atlas Copco 2017
Operating profit margin, %	21.3	18.9	20.8
Capital employed, MSEK ²⁾	64 151	21 708	82 318
Return on capital employed, %	28.5	28.4	29.7
Equity/assets ratio, %	46.4	44.3	48.3

1) Including intercompany transactions between Epiroc and Atlas Copco.

2) The numbers for Atlas Copco excl. Epiroc do not include intercompany transactions between Epiroc and Atlas Copco.

The Epiroc spin-off effect on Atlas Copco's financing

Epiroc is currently primarily financed through intra-group loans from Atlas Copco. These loans will be repaid in connection with the planned listing and replaced by external financing leading to a reduction of Atlas Copco's net debt.

Epiroc's Board of Directors and Executive Management

Board of Directors

According to Epiroc's articles of association, the Board of Directors is to comprise six (6) to twelve (12) members appointed by the General Meeting. In addition, Epiroc's employees have a right to representation on the Board of Directors according to law. The Board of Directors of Epiroc currently comprises eight members elected by the General Meeting, as well as two employee representatives with one deputy each.

Ronnie Leten (born 1956)

Ronnie Leten is a member and chairman of the Board of Directors of Epiroc since 2017, as well as a member of the audit committee and chairman of the remuneration committee.

Ronnie Leten is also chairman and member of the Board of Directors of Aktiebolaget Electrolux¹⁾ and member of the Board of Directors of Aktiebolaget SKF.

Ronnie Leten has previously been President and CEO, and member of the Board of Directors, of Atlas Copco.

Ronnie Leten holds an M.Sc. in Applied Economics from the University of Hasselt, Belgium.

Johan Forssell (born 1971)

Johan Forssell is a member of the Board of Directors of Epiroc since 2017, as well as a member of the remuneration committee.

Johan Forssell is also President and CEO, and member of the Board of Directors, of Investor Aktiebolag and a member of the Boards of Directors of Atlas Copco, Wärtsilä Oyj Abp, EQT AB and Patricia Industries AB.

Johan Forssell has previously been a member of the Board of Directors of SAAB Aktiebolag.

Johan Forssell holds an M.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden.

Anders Ullberg (born 1946)

Anders Ullberg is a member of the Board of Directors of Epiroc since 2017, as well as a member of the audit committee.

Anders Ullberg is also chairman and member of the Boards of Directors of Boliden AB and Studsvik AB, as well as a member of the Boards of Directors of Atlas Copco and Beijer Alma AB. Anders Ullberg is also chairman of the Swedish Financial Reporting Board and a member of the Board of the European Financial Reporting Advisory Group.

Anders Ullberg has previously been President and CEO, and member of the Board of Directors, of SSAB AB, chairman and member of the Board of Directors of BE Group AB (publ) and a member of the Boards of Directors of Gränges AB.

Anders Ullberg holds a B.Sc. in Economics from the Stockholm School of Economics, Sweden.

Ulla Litzén (born 1956)

Ulla Litzén is a member of the Board of Directors of Epiroc since 2017, as well as chairman of the audit committee.

Ulla Litzén is also a member of the Boards of Directors of Aktiebolaget Electrolux, NCC Aktiebolag, Husqvarna Aktiebolag, Ratos AB and Alfa Laval AB.

Ulla Litzén has previously been a member of the Boards of Directors of Atlas Copco, Aktiebolaget SKF, Boliden AB, Karo Pharma AB and Rezidor Hotel Group AB.

Ulla Litzén holds a B.Sc. in Economics from the Stockholm School of Economics, Sweden, and an MBA from the Massachusetts Institute of Technology (MIT) in the United States.

1) Prior to the listing of Epiroc's shares Ronnie Leten will retire as chairman and member of the Board of Directors of Aktiebolaget Electrolux and is proposed to be elected as the chairman and member of the Board of Directors of Telefonaktiebolaget LM Ericsson.

Lennart Evrell (born 1954)

Lennart Evrell is a member of the Board of Directors of Epiroc since 2017, as well as a member of the remuneration committee.

Lennart Evrell is also President and CEO, and member of the Board of Directors, of Boliden AB¹⁾, and a member of the Board of Directors of Svenska Cellulosa Aktiebolaget SCA.

Lennart Evrell has previously been President and CEO, and member of the Board of Directors, of Munters Aktiebolag.

Lennart Evrell holds an M.Sc. in Engineering from the Royal Institute of Technology (KTH) and a B.Sc. in Business Administration from Uppsala University, both in Sweden.

Per Lindberg (born 1959)

Per Lindberg is a member of the Board of Directors and the President and CEO of Epiroc since 2018.

See "Executive Management" below.

Jeane Hull (born 1955)

Jeane Hull is a member of the Board of Directors of Epiroc since 2018.

Jeane Hull is also a member of the Boards of Directors of Interfor Corporation and Cloud Peak Energy Incorporated.

Jeane Hull has previously been Executive Vice President and Chief Technical Officer at Peabody Energy Corporation.

Jeane Hull holds a B.Sc. in Civil Engineering from South Dakota School of Mines and Technology and an MBA from Nova Southeastern University, both in the United States.

Astrid Skarheim Onsum (born 1970)

Astrid Skarheim Onsum is a member of the Board of Directors of Epiroc since 2018.

Astrid Skarheim Onsum is also Chief Digital Officer at Aker Solutions ASA.

Astrid Skarheim Onsum has previously been Managing Director of Aker Engineering & Technology AS, and a member of the Boards of Directors of Aker MMO AS and Aker Engineering & Technology Ltd.

Astrid Skarheim Onsum holds an M.Sc. in Mechanical Engineering from the Norwegian University of Science and Technology in Trondheim, Norway.

Bengt Lindgren (born 1957)

Bengt Lindgren is an employee representative (trade union IF Metall) in the Board of Directors of Epiroc since 2018.

Bengt Lindgren is also an employee representative in the Board of Directors of Atlas Copco.

Kristina Kanestad (born 1966)

Kristina Kanestad is an employee representative (trade union Unionen) in the Board of Directors of Epiroc since 2018.

Kristina Kanestad is also a deputy employee representative in the Board of Directors of Atlas Copco.

Mårten Karlsson (born 1978)

Mårten Karlsson is a deputy employee representative (trade union IF Metall) in the Board of Directors of Epiroc since 2018.

Mårten Karlsson is also a deputy employee representative in the Board of Directors of Atlas Copco.

Gustav El Rachidi (born 1970)

Gustav El Rachidi is a deputy employee representative (trade union Ledarna) in the Board of Directors of Epiroc since 2018.

1) Lennart Evrell has announced that he will resign from the position as President and CEO of Boliden AB effective half way through 2018.

Executive Management

Per Lindberg (born 1959)

Per Lindberg is President and CEO, and member of the Board of Directors, of Epiroc since 2018.

Per Lindberg has previously been President and CEO of BillerudKorsnäs Aktiebolag (publ).

Per Lindberg holds an M.Sc. in engineering and PhD in industrial management, Chalmers University of Technology, Gothenburg, Sweden.

Helena Hedblom (born 1973)

Helena Hedblom is Senior Executive Vice President Mining and Infrastructure since 2017.

Helena Hedblom has previously been Senior Executive Vice President of Atlas Copco's Mining and Rock Excavation technique business area and President of Atlas Copco's Rock Drilling Tools division.

Helena Hedblom holds an M.Sc. in Material Technology from the Royal Institute of Technology (KTH), Stockholm, Sweden.

Anders Lindén (born 1962)

Anders Lindén is Senior Vice President Controlling and Finance (CFO) of Epiroc since 2017.

Anders Lindén has previously been Vice President Business Control for Atlas Copco's Mining and Rock Excavation Technique business area.

Anders Lindén holds a B.Sc. in Economics and Business Administration from the Stockholm School of Economics, Sweden.

Mattias Olsson (born 1968)

Mattias Olsson is Senior Vice President Corporate Communications of Epiroc since 2018.

Mattias Olsson has previously been Head of Investor Relations at Assa Abloy AB and Vice President Investor Relations at Atlas Copco.

Mattias Olsson holds an MBA from the University of Linköping, Sweden.

Jörgen Ekelöv (born 1955)

Jörgen Ekelöv is Senior Vice President General Counsel of Epiroc since 2017.

Jörgen Ekelöv has previously been General Counsel M&A and Global Projects at Atlas Copco.

Jörgen Ekelöv holds a Master of Law from Lund University, Sweden.

Share capital and ownership

Share information

On the record date for distribution, the number of Class A shares and Class B shares, respectively, in Epiroc will be the same as the number of Class A shares and Class B shares, respectively, in Atlas Copco (excluding the number of own shares held by Atlas Copco). Class A shares and Class B shares, respectively, in Epiroc will have the same rights as shares of the same share classes in Atlas Copco. In conjunction with the distribution, Epiroc's shares will be listed on Nasdaq Stockholm.

Voting rights

At the General Meeting, each Class A share in Epiroc carries one vote and each Class B share in Epiroc carries 1/10 vote.

Preferential rights to new shares

If Epiroc decides to issue new Class A and Class B shares, either through a cash issue or an issue by set-off, each shareholder of Class A shares and Class B shares shall have a preferential right to subscribe for new shares of the same class in relation to the number of shares held by the shareholder prior to the new issue (primary preferential right).

Rights to dividends and surplus in the event of liquidation

All shares in Epiroc carry equal rights to dividends and to Epiroc's assets and any surpluses in the event of liquidation. Resolutions of dividends are to be made by the General Meeting. All shareholders who are registered in the share register maintained by Euroclear on the record date determined by the General Meeting are entitled to receive dividends. Dividends are normally paid to shareholders through Euroclear as a cash amount per share, but may also comprise forms other than dividends (distribution in kind).

Central securities depository

Epiroc's shares will be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). This register will be kept by Euroclear. No share certificates will be issued for Epiroc's shares. Information regarding the ISIN codes for Epiroc's shares will be contained in the prospectus to be published prior to the listing of Epiroc's shares.

Convertibles, warrants and other share-based instrument

There are no outstanding warrants, convertibles or other share-based financial instruments issued by Epiroc.

Incentive programs

The intention is that the existing incentive programs in Atlas Copco shall be split between the employees of Atlas Copco and the employees of Epiroc in conjunction with the distribution of Epiroc. Further, the Board of Directors of Epiroc has proposed that the general meeting of Epiroc resolves upon an incentive program for the employees of Epiroc, corresponding to the incentive program to be approved by the Annual General Meeting of Atlas Copco for the employees of Atlas Copco. The proposal for an incentive program for employees of Epiroc will also be approved by the Annual General Meeting of Atlas Copco.

Ownership structure

As per the date of this information brochure, Epiroc is a wholly-owned subsidiary of Atlas Copco. The table below shows Epiroc's ownership structure based on the assumption that the shares of Epiroc had been distributed with December 31, 2017 as record date.¹⁾

Shareholder	Number of shares of Class A	Number of shares of Class B	Total number of shares	% of votes	% of shares
Investor Aktiebolag	194 803 726	12 841 885	207 645 611	22.7	17.1
Swedbank Robur fonder	25 504 426	30 542 437	56 046 863	3.3	4.6
Alecta Pensionsförsäkring	24 593 000	25 888 000	50 481 000	3.2	4.2
SEB Investment Management	14 637 330	1 304 690	15 942 020	1.7	1.3
Folksam	6 806 189	3 575 811	10 382 000	0.8	0.9
Fjärde AP-fonden	4 900 672	8 035 225	12 935 897	0.7	1.1
SPP Fonder AB	4 977 338	2 809 083	7 786 421	0.6	0.6
Avanza Fonder	3 763 874	1 749 757	5 513 631	0.5	0.5
Tredje AP-fonden	3 342 449	5 265 659	8 608 108	0.4	0.7
Länsförsäkringar fondförvaltning AB	3 555 214	1 275 813	4 831 027	0.4	0.4
Total ten largest shareholders	286 884 218	93 288 360	380 172 578	34.3	31.3
Other shareholders	536 868 282	296 684 489	833 552 771	65.7	68.7
Total	823 752 500	389 972 849	1 213 725 349	100.0	100.0

1) The table shows the largest shareholders of Atlas Copco, by voting rights, registered directly or as a group with Euroclear Sweden, the Swedish Central Securities Depository. The table does not include own shares held by Atlas Copco.

Risk factors associated with the distribution of shares in Epiroc

Below is a brief outline of certain risk factors related to the distribution of shares in Epiroc. A more detailed description of the risks relating to Epiroc will be included in the prospectus to be published prior to the listing of Epiroc, provided that the General Meeting resolves on the distribution of Epiroc in accordance with the Board of Director's proposal.

The distribution of Epiroc's shares may fail to realize anticipated benefits.

The distribution and listing of the shares in Epiroc is expected to increase focus, customer value and development opportunities and to enable Epiroc to successfully realize its strategies under the leadership of a separate management team, with a separate Board of Directors and independent access to capital. It is also expected that Epiroc, as a separate company, will be better positioned to meet the different challenges and demand drivers faced by the industries Epiroc is active in. However, there is a risk that anticipated benefits may not be realized should the assumptions underlying the decision to distribute Epiroc's shares turn out to be incorrect. If, for example, Epiroc is unable to obtain financing, on favorable terms or at all, or if Epiroc as a stand-alone group suffers from decreased revenues or additional operating costs, this could have a material adverse effect on Epiroc's business, financial condition and results of operations and could consequently lead to anticipated benefits with the distribution not being realized.

Epiroc may fail to operate successfully due to newly implemented functions and work processes.

Prior to the distribution and the listing of the shares in Epiroc, operations that were previously carried out as part of the Atlas Copco Group have been separated from Atlas Copco and transferred to Epiroc. In the capacity as a separate listed company, Epiroc will be subject to certain laws, regulations and requirements, including (but not limited to) obligations regarding information disclosure, governance and financial reporting. In view of this, several new functions and work processes have been established for Epiroc. The fact that certain functions and work processes are newly established for Epiroc may increase the risk of misunderstandings, uncertainties and governance failures, which could have a material adverse effect on Epiroc's business, financial condition and results of operations. The new functions and work processes may also cause increased costs and certain activities will be more difficult, require more time and/or become more expensive and the demands for Epiroc's systems and resources will increase.

Additionally, the regulations and requirements applicable to listed companies are frequently changing, and the amendments can be difficult to survey, causing risk of infringements by Epiroc which can result in extensive fines and administrative fees. In addition, the Board of Directors and management may be required to devote time and effort to ensure compliance with such rules and regulations, which may entail that less time and effort can be devoted to other aspects of the business.

Epiroc's brand is not well-known in the market.

Atlas Copco is a well-known brand in most of the markets where Epiroc conducts its operations. An important factor for Epiroc in maintaining a strong market position is for Epiroc and its brand to become well-known and associated with positive values by customers and current as well as future employees of Epiroc. Operating as a separate company, Epiroc could have difficulties in obtaining brand recognition and market position equivalent to that enjoyed by Epiroc as part of the Atlas Copco Group, whose brand has been established internationally for a long time. A weakening of Epiroc's market position could lead to lower demand for its products and services, as well as higher sales and marketing costs. Additionally, a weakened market position and brand recognition could lead to difficulties in recruiting and retaining employees. These factors could have a material adverse effect on Epiroc's business, financial condition and results of operations.

Epiroc will be dependent on Atlas Copco as a supplier for certain functions over a transitional period.

Epiroc and Atlas Copco have entered into agreements whereby Atlas Copco will provide services to Epiroc, and Epiroc will provide services to Atlas Copco, in a number of areas over a transitional period. These services include *inter alia* HR, IT, Finance and rental of facilities. Atlas Copco's or Epiroc's lack of fulfilment of their commitments in relation to each other, potential disagreements in regard to transitional services or other disturbances in the Atlas Copco-Epiroc relationship could have a material adverse effect on Atlas Copco's or Epiroc's businesses, financial conditions and results of operations.

Indemnities under the master transfer agreement may result in unforeseen costs for Atlas Copco or Epiroc.

The master transfer agreement entered into between Atlas Copco and Epiroc stipulates that Epiroc, as a main rule, will indemnify Atlas Copco for liabilities relating to Epiroc's operations and that Atlas Copco, as a main rule, will indemnify Epiroc for liabilities relating to Atlas Copco's remaining operations. Further, the master transfer agreement stipulates that liabilities that cannot be allocated to either of the parties shall, as a main rule, be allocated by 75 percent to Atlas Copco and by 25 percent to Epiroc. If there were to occur unforeseen liabilities pertaining to Epiroc's or Atlas Copco's operations that would trigger indemnification liability under the master transfer agreement, this could have a material adverse effect on Epiroc's or Atlas Copco's business, financial condition and results of operations.

Taxation in Sweden

The following is a brief summary of the Swedish tax consequences following the distribution of the Epiroc shares and is intended as general information only. The statements concerning Swedish tax laws set forth below are based on the laws and regulations as at today and any changes occurring after this date, may have retroactive effect.

Taxation of the distribution of Epiroc shares to the shareholders of Atlas Copco

The following is a summary of the Swedish tax consequences following the distribution of the Epiroc shares to the shareholders of Atlas Copco. A general description of dividend and capital gains taxation in relation to Swedish and foreign shareholders being individuals and limited liability companies will be included in the prospectus to be published prior to the listing of Epiroc, provided that the General Meeting resolves on the distribution of Epiroc in accordance with the Board of Directors' proposal.

Shareholders Who Are Tax Resident in Sweden

It is expected that the distribution of the Epiroc shares will be made in accordance with the so called Lex ASEA rules. This means that the distribution of the Epiroc shares to the Atlas Copco shareholders resident in Sweden will not trigger any immediate taxation for the shareholders. Instead, the tax basis for the shareholding in Atlas Copco will be allocated between existing Atlas Copco shares and the received Epiroc shares. The allocation of the tax basis will be based on the change in value of the shares in Atlas Copco due to the distribution of the shares in Epiroc.

It is envisaged that Atlas Copco will request general guidelines from the Swedish Tax Agency that will be made public.

Shareholders Who Are Not Tax Resident in Sweden

It is expected that the distribution of the Epiroc shares will be made in accordance with the so called Lex ASEA rules. This means that the distribution of the Epiroc shares to the Atlas Copco shareholders will not trigger Swedish withholding tax.

It should be noted that the distribution of Epiroc shares may also be subject to tax legislation in the shareholder's country of tax residency.

Taxation in the United States

Certain U.S. federal income tax consequences of the distribution of Epiroc shares to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences of the receipt of Epiroc's shares by shareholders of Atlas Copco pursuant to the distribution by Atlas Copco of the Epiroc stock (referred to herein as the "Distribution"). This summary only applies to an Atlas Copco shareholder that holds its Atlas Copco shares as a "capital asset" (generally, property held for investment) and is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, that is created or organized in or under the laws of the United States, any State thereof or the District of Columbia or (iii) an estate or trust the income of which is subject to U.S. federal income tax regardless of its source (a "U.S. Holder"). This summary does not address U.S. Holders who are subject to special treatment under U.S. federal income tax laws, the Medicare tax on net investment income, the alternative minimum tax or any consequences under any U.S. federal non-income (such as the estate or gift tax), state, local, non-U.S. or other tax laws.

For additional information with respect to the U.S. federal income tax consequences to U.S. Holders of receiving the Epiroc shares (including the subsequent ownership and disposition thereof), see the discussion set forth under the heading "Taxation - Certain U.S. Federal Income Tax Considerations" in the prospectus that will be published prior to the listing of Epiroc's shares on Nasdaq Stockholm.

Atlas Copco and Epiroc intend to take the position that the Distribution should qualify under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), as a tax free distribution for U.S. federal income tax purposes to U.S. Holders. U.S. Holders should be aware that neither Atlas Copco

nor Epiroc has requested or intends to request an opinion of counsel or a ruling from the U.S. Internal Revenue Service (the "IRS") with respect to the U.S. federal income tax treatment of the Distribution or any of the other conclusions expressed herein. There can be no assurance that the IRS will not take a contrary position to the views expressed herein or that a court in the event of litigation will not agree with a position of the IRS.

If the Distribution qualifies under Section 355 of the Code as a tax free distribution for U.S. federal income tax purposes, a U.S. Holder of Atlas Copco shares generally should have the following U.S. federal income tax consequences upon receipt of the Epiroc shares: (i) such U.S. Holder should recognize no gain or loss, or have any income, upon the receipt of Epiroc shares in the Distribution, (ii) the aggregate tax basis of the Atlas Copco shares immediately before the Distribution will be allocated between the Atlas Copco shares and the Epiroc shares received in the Distribution, in proportion to their relative fair market values at the time of the Distribution, and (iii) such U.S. Holder's holding period in its Epiroc shares should include such holder's holding period in its Atlas Copco shares on which the Distribution was made.

If contrary to Atlas Copco's and Epiroc's position, the Distribution does not qualify under Section 355 of the Code as a tax free distribution for U.S. federal income tax purposes, the Distribution generally will be treated as a taxable dividend by Atlas Copco shares to U.S. Holders in an amount equal to the fair market value of Epiroc's shares on the date of the Distribution.

U.S. Holders are urged to consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of their receipt of Epiroc's shares pursuant to the Distribution, including with respect to any applicable reporting requirements.

Financial definitions

Operating profit margin

Operating profit as a percentage of revenues.

Capital employed

Average total assets less average non-interest-bearing liabilities/provisions.

Return on capital employed

Profit before tax plus interest paid and foreign exchange differences as a percentage of average capital employed.

Net debt (Atlas Copco's definition)

Borrowings plus post-employment benefits minus cash and cash equivalents and other current financial assets, adjusted for the fair value of interest rate swaps.

Net debt (Epiroc's definition)

Interest-bearing liabilities and post-employment benefits, adjusted for their fair value of interest rate swaps, less cash and cash equivalents and certain other financial receivables.

Equity/assets ratio

Equity including non-controlling interests, as a percentage of total assets.

Frequently asked questions and answers

Why are the shares in Epiroc distributed?

The Board of Directors of Atlas Copco believes that long-term shareholder value will be created by splitting the current group into two separate companies and by distributing the shares and listing Epiroc.

What are the terms and conditions for the distribution?

Registered shareholders of Atlas Copco on the record date for distribution of shares are entitled to receive one share in Epiroc, for no consideration, for each share held of the same share class in Atlas Copco.

Do I need to take any actions in order to receive the distributed shares?

No, registered (directly registered or nominee registered) shareholders of Atlas Copco on the record date for distribution will automatically receive shares in Epiroc.

When is the record date for distribution?

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to resolve on the record date at Euroclear for the distribution. The record date is therefore not yet determined as per the date of this information brochure. The Board of Directors of Atlas Copco intends to execute the distribution of shares in Epiroc during June 2018. The record date is expected to fall close to the listing of the shares in Epiroc.

When will the prospectus be published and where can I find it?

A prospectus, which will contain information about Epiroc and the risks associated with an investment in Epiroc's shares, is planned to be published by the end of May 2018. The prospectus will be available for downloading at Atlas Copco's, Epiroc's and SEB's webpages and can also be obtained in paper format from Atlas Copco's, Epiroc's and SEB's offices.

Will the distribution cause any tax consequences for shareholders?

For shareholders who are physically resident in Sweden or limited liability companies registered in Sweden, the distribution is not expected to lead to any immediate taxation due to the application of the Lex ASEA rules. Persons who receive a cash payment from Epiroc in the future or decide to divest their shares in Epiroc will be taxed in Sweden in accordance with the tax rules that apply to such transactions.

By applying the Lex ASEA rules, withholding tax is not expected to be charged in Sweden for foreign shareholders when the shares in Epiroc are distributed, but may be charged on future cash payments. The distribution of Epiroc, future cash payments and divestments of shares in Epiroc will be taxed in accordance with the rules in the shareholder's country of domicile. Any double taxation that arises may be eliminated by applying the relevant tax treaty between Sweden and the country in question.

How can we ask further questions?

Questions related to financial matters can be directed to ir@se.atlascopco.com or ir@epiroc.com. For any other questions, please call the telephone number stated below.

Questions regarding the distribution are answered by telephone: +46(0)8-518 01 553

The information brochure can be ordered:

- Via e-mail to atlascopco.epiroc@computershare.se
- Per telephone +46(0)8-518 01 553

The information brochure can also be downloaded from Atlas Copco's website www.atlascopcogroup.com