



PÖYRY

Invitation to subscribe for shares in ÅF Pöyry AB



Please note that the subscription rights may have an economic value.

In order to not lose the value of the subscription rights, holders must either:

- Exercise the subscription rights received and subscribe for new shares no later than 12 April 2019; or
- Sell the subscription rights received, but not exercised, no later than 10 April 2019.

Please note that shareholders with nominee-registered shareholdings subscribe for new shares through their custodian/nominee.

The distribution of this prospectus and the subscription for new shares are subject to restrictions in certain jurisdictions (see "Selling and transfer restrictions").

Handelsbanken Capital Markets

S|E|B

IMPORTANT INFORMATION

For certain definitions used in this prospectus, see “*Certain definitions*” on the next page.

A Swedish version of this prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the “**SFSA**”) in accordance with Chapter 2, sections 25 and 26 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*). Approval and registration does not imply that the SFSA guarantees that the information in the prospectus is accurate or complete.

The prospectus and the offering hereunder are governed by Swedish law. Disputes arising in connection with this prospectus, the offering and related legal matters shall be settled exclusively by Swedish courts. The prospectus has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

ÅF Pöry has not taken, and will not take any actions to allow a public offering in any jurisdiction other than Sweden. The offering is not being made to persons resident in the United States, Australia, Canada, Hong Kong, New Zealand, Singapore or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the prospectus may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the offering in accordance with this prospectus require such measures or otherwise would be in conflict with applicable regulations. Subscription for shares and other acquisitions of securities in violation of the restrictions described above may be void. Recipients of this prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations. For further information, see “*Selling and transfer restrictions*”.

Investing in shares is associated with risk (see “*Risk factors*”). When an investor makes an investment decision, he or she must rely on his or her own analysis of ÅF Pöry and the offering in accordance with this prospectus, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this prospectus and any possible supplements to this prospectus. No person is authorized to provide any information or make any statements other than those made in this prospectus. Should such information or statement nevertheless be provided or be made it should not be considered to have been approved by ÅF Pöry, and ÅF Pöry is not responsible for such information or statements. Neither the publication of this prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this prospectus is accurate or applicable at any time other than on the date of the publication of this prospectus or that there have been no changes in ÅF Pöry's business since this date. If significant changes relating to the information contained in this prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Swedish Financial Instruments Trading Act.

As a condition for subscription for shares under the offering in this prospectus, each person applying for subscription for shares shall be deemed to have made or, in some cases, be required to make, certain representations and warranties that will be relied upon by ÅF Pöry and its advisors (see “*Selling and transfer restrictions*”). ÅF Pöry reserves the right to declare null and void any subscription for shares that ÅF Pöry and its advisors believe may give rise to a breach or violation of any law, rule or regulation in any jurisdiction.

Important information to investors in the United States

No subscription rights, paid subscription shares (*betalda tecknade aktier* – “**BTA**”) or new shares in ÅF Pöry (“**Securities**”) have been, and or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities legislation of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Securities are being offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. A public offering of the Securities will not be made in the United States. Any offering of the Securities made in the United States will only be made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of existing shareholders that (i) are qualified institutional buyers as defined in Rule 144A under the Securities Act (“**QIBS**”), and (ii) have executed and delivered an *investor letter*, in form and substance acceptable, to ÅF Pöry. Persons receiving the prospectus are hereby notified that ÅF Pöry may be relying on an exemption from the registration requirements of Section 5 of the Securities Act. For a description of these and certain further restrictions regarding the Securities and the distribution of this prospectus, see “*Selling and transfer restrictions*”.

Up until 40 days after the initiating of the rights issue, an offer or a transfer of Securities within the United States made by a securities broker (regardless of whether such securities broker participates in the rights issue or not) may imply a breach of the registration requirements of the Securities Act.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (“**SEC**”), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Important information to investors in the EEA

No public offering of Securities is made to any countries within the European Economic Area (“**EEA**”) other than Sweden. In other member states of the EEA which have implemented European Parliament and Council Directive 2003/71/EC (the “**Prospectus Directive**”), such offering may be made only under an exemption in the Prospectus Directive as well as every relevant implementation measure (including measures to implement European Parliament and Council Directive 2010/73/EU). For additional information, see “*Selling and transfer Restrictions*”.

Forward-looking statements

The prospectus contains certain forward-looking statements that reflect ÅF Pöry'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 statements. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. A forward-looking statement is not a guarantee of future results or development, and actual outcomes may differ materially from those set out in the forward-looking statements.

Factors that may cause ÅF Pöry's future results and development to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. The forward looking statements contained in this prospectus apply only as at the date of this prospectus. ÅF Pöry does not undertake any obligation to publicly announce any update or change in forward-looking statements as a result of new information, future events or similar circumstances other than as required by applicable laws and regulations.

Presentation of financial information

Certain figures in this prospectus, including financial data, have been rounded. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

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Certain definitions

In this prospectus, the following definitions are used:

“ÅF Pöry” or the **“Company”** refers to, depending on the context, ÅF Pöry AB (publ) (corporate ID No. 556120-6474) or the group in which ÅF Pöry AB (publ) is the parent company.

“ÅF” refers to, depending on the context, ÅF Pöry AB (publ) or the group in which ÅF Pöry AB (publ) was the parent company before the acquisition of Pöry PLC and change of legal name from ÅF AB to ÅF Pöry AB.

“Pöry” refers to, depending on the context, Pöry PLC (Finnish company and organisation number 1009321-2) or the group in which Pöry PLC was the parent company before Pöry was acquired by ÅF and became an integrated part of the Group.

The **“Group”** refers to ÅF Pöry AB (publ) and its subsidiaries.

“SEB” refers to Skandinaviska Enskilda Banken AB (publ).

“Handelsbanken” refers Handelsbanken Capital Markets, a business unit within Svenska Handelsbanken AB (publ).

“Euroclear Sweden” refers to Euroclear Sweden AB.

“Nasdaq Stockholm” refers to the Swedish regulated market Nasdaq Stockholm or its operator Nasdaq Stockholm AB, as the context may require.

“CHF”, “DKK”, “EUR”, “NOK”, “SEK” and **“USD”** refers to Swiss franc, Danish kronor, Euro, Norwegian kronor, Swedish kronor and U.S. dollars, respectively. **m** indicates millions and **T** indicates thousands.

The rights issue in brief

Preferential rights

Each existing share of class A in ÅF Pöry entitles to one (1) subscription right of class A, and each existing share of class B entitles to one (1) subscription right of class B. Three (3) subscription rights of class A and B, respectively, entitle to subscription for one (1) new share of the corresponding class (primary preferential right). Shares not subscribed for with primary preferential rights shall be offered to all shareholders (subsidiary preferential right) and thereafter to other investors for subscription.

Subscription price

SEK 99 per share.

Record date for participation in the rights issue

27 March 2019

Subscription period

29 March–12 April 2019

Trading in subscription rights of class B

29 March–10 April 2019

Trading in BTA of class B

29 March–17 April 2019

Subscription by exercise of subscription rights

Subscription by exercise of subscription rights is made during the subscription period through simultaneous cash payment.

Subscription without exercise of subscription rights

Application for subscription without subscription rights shall be made to Handelsbanken no later than 12 April 2019 on a separate application form that can be obtained from ÅF Pöry's website, www.afconsult.com, from any Handelsbanken office in Sweden or from Handelsbanken's website, www.handelsbanken.se/investeringserbjudande. Payment for allotted shares shall be made in accordance with instructions on the notice of allotment. Custody account holders shall instead apply with, and in accordance with instructions from, the custodian.

Other information

Ticker:	AF B
ISIN Code share class B:	SE0005999836
ISIN Code subscription right class B:	SE0012455269
ISIN Code BTA class B:	SE0012455277
LEI Code:	549300Q87LKPPD4X9R30

Financial information, etc.

Annual General Meeting 2019:	15 May 2019
Interim report January–March 2019:	15 May 2019
Interim report January–June 2019:	12 July 2019
Interim report January–September 2019:	30 October 2019

Summary

Prospectus summaries consist of information requirements presented in “items”. The items are numbered in sections A–E (A.1–E.7).

The summary in this prospectus includes all of the items required in a summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of prospectuses, there may be gaps in the numbering of the items.

Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information can be provided regarding the item. In such case, the information is replaced by a brief description of the item together with the indication “not applicable”.

Section A – Introductions and warnings

A.1	Introduction and warnings	<p>This summary should be read as an introduction to the prospectus.</p> <p>Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor.</p> <p>Where a claim relating to the information in this 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.</p> <p>Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the prospectus or if, together with other parts of the prospectus, it fails to provide key information to help investors when considering investing in such securities.</p>
A.2	Consent to use the prospectus	Not applicable. Financial intermediaries are not entitled to use the prospectus for subsequent resale or final placement of securities.

Section B – Issuer

B.1	Legal and commercial name	The legal (and commercial) name of the Company is ÅF Pöry AB.
B.2	Domicile and legal form	The registered office of the Board of Directors is situated in Stockholm, Sweden. The Company was incorporated in Sweden and is a Swedish public limited liability company governed by the Swedish Companies Act (<i>aktiebolagslagen</i> (2005:551)).
B.3	Nature of operations and principal activities	<p>ÅF Pöry is an engineering, design and consulting company within the fields of energy, industry and infrastructure. The Company creates sustainable solutions for the next generation through talented people and technology. ÅF Pöry operates in 50 countries and its core markets are Sweden, Norway, Denmark, Finland, Switzerland and the Czech Republic. In 2018, ÅF's net sales amounted to SEK 13,975 million, and the Company had as at 31 December 2018 in total 10,928 employees.</p> <p>On 10 December 2018, ÅF and Pöry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöry. The acquisition closed on 21 February 2019, and since then the business has been operated under the name ÅF Pöry. In 2018, ÅF Pöry's pro forma net sales amounted to SEK 19,918 million. The Nordic market represented 91 per cent of ÅF's net sales and 38 per cent of Pöry's net sales in 2018. Combined, ÅF and Pöry had in average 14,737 FTEs during 2018.</p> <p>Prior to the acquisition of Pöry, ÅF's operations was conducted through four divisions: Industry, Infrastructure, Digital Solutions and Energy. Since 22 February 2019, ÅF Pöry's operations are divided into five divisions: Infrastructure, Energy, Process Industries, Industrial and Digital Solutions and Management Consulting. The divisions offer engineering, design and consulting services, as well as project and concept services, primarily in three sectors: energy, industry and infrastructure.</p>

B.4a Recent trends

The transition to reducing climate impact and the global urbanisation and digitalisation trends continue to drive demand for sustainable solutions in all of ÅF Pöry's operations.

The general market trend and demand remained good in first quarter 2019, and was largely unchanged compared with the previous quarter. Demand in the industrial sector for digitalisation, electrification and automation remains strong. The need for investments in infrastructure in the Nordic region and Switzerland, which are ÅF Pöry's most important markets, continues to drive demand in both commercial and public buildings and road & rail, as well as in niche areas such as architecture and design. The energy market is in a process of transformation, and the Company sees stable demand for its services in the Nordic region. There is also stable demand on the global energy market. However, ÅF Pöry's international energy operations were affected by the changes currently underway within division Energy.

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Pöry's net sales for the first quarter 2019 are expected to be higher than the corresponding period 2018. Pöry's operating profit (not including the effects of IFRS 16), excluding acquisition costs and other items affecting comparability, for the first quarter 2019 is expected to be significantly higher than the corresponding period 2018.

B.5 Group

ÅF Pöry is the ultimate parent company of the Group, which comprises approximately 160 subsidiaries in approximately 60 countries.

B.6 Major shareholders, etc.

In Sweden, the lowest limit for disclosure of holdings (Sw. *flaggning*) is five per cent of all shares or the voting rights of all shares. The table below shows shareholders with holdings corresponding to at least 5 per cent of the shares and voting rights in ÅF Pöry as of 15 March 2019.

Holder/nominee/custodian	A shares	B shares	Total number of shares	Share capital, %	Votes, %
ÅForsk	3,205,752	5,919,628	9,125,380	10.8	33.6
Handelsbanken Fonder	–	7,123,997	7,123,997	8.5	6.3
SEB Investment Management	–	6,023,423	6,023,423	7.2	5.3
Skandinaviska Enskilda Banken S.A.	–	5,710,217	5,710,217	6.8	5.1
Swedbank Robur Funds	–	4,444,130	4,444,130	5.3	3.9
Other shareholders	12,000	51,717,240	5,729,240	61.5	45.8
Total	3,217,752	80,938,635	84,156,387	100.0	100.0

Source: Euroclear Sweden

ÅForsk Foundation ("ÅForsk") can exercise significant influence over the Company in matters where the shareholders have a voting right. Due to its shareholding, ÅForsk may put through several proposals at a general meeting, even if other shareholders do not agree with the proposal. ÅForsk is therefore able to exercise significant influence over ÅF Pöry. The control is, however, limited in accordance with the rules set out in the Swedish Companies Act (2005:551) on protection of minority interests.

B.7 Selected historical key financial information

The below condensed financial statements (as well as measures defined under International Financial Reporting Standards ("IFRS")) have been derived from ÅF Pöry's annual reports for the financial years 2016–2018, which have been prepared in accordance with IFRS as adopted by EU and audited by the Company's auditor.

The summary also includes certain measures that are not defined under IFRS (alternative performance measure). These alternative performance measure have not been reviewed or audited by the Company's auditor. ÅF Pöry believes these measures are commonly used by certain investors, securities analysts and other interested parties as supplementary measures of performance trends and financial position.

ÅF Pöry's alternative performance measure may not be comparable to other similarly titled measures presented by other companies and have certain limitations as analysis tools. Consequently, they should not be considered separately, or as an alternative to ÅF Pöry's financial information prepared in accordance with IFRS.

B.7 Selected historical
key financial information (cont'd)

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	2018	2017	2016
Net sales	13,975	12,658	11,070
Purchases of services and materials	-3,547	-3,192	-2,944
Other external costs	-1,074	-1,066	-917
Personnel costs	-7,996	-7,269	-6,139
Other operating income	-	4	10
Other operating expenses	-	-3	-1
Profit attributable to participations in associates	0	0	0
EBITDA	1,358	1,132	-
Depreciation/amortisation and impairment of non-current assets ¹⁾	-115	-105	-115 ²⁾
EBITA	1,243	1,027	-
Acquisition-related items	-40	6	-
Operating profit (EBIT)	1,203	1,033	965
Profit/loss from financial items			
Financial income	26	16	16
Financial expenses	-125	-92	-58
Net financial items	-99	-76	-42
Profit after financial items	1,103	957	923
Tax	-253	-215	-212
Profit for the period	850	742	711

- 1) Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.
- 2) In the financial year 2016, the item "Depreciation/amortisation and impairment of non-current assets" consisted of "Amortisation and impairment of intangible assets" (SEK -48 million) and "Depreciation and impairment of property, plant and equipment" (SEK -67 million).

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	As at 31 December		
	2018	2017	2016
ASSETS			
Total non-current assets	8,432	7,070	6,462
Total current assets	4,776	4,308	3,945
TOTAL ASSETS	13,208	11,378	10,407
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the parent company	5,449	4,972	4,677
Non-controlling interest	16	17	19
Total equity	5,465	4,989	4,697
Total non-current liabilities	3,718	2,323	2,880
Total current liabilities	4,026	4,067	2,830
Total liabilities	7,744	6,390	5,710
TOTAL EQUITY AND LIABILITIES	13,208	11,378	10,407

CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS

SEK million	2018	2017	2016
Cash flow from operating activities	874	624	622
Cash flow from investing activities	-1,153	-525	-963
Cash flow from financing activities	306	-209	411
Cash flow for the period	26	-109	70
Closing cash and cash equivalents	239	223	329

B.7 *Selected historical key financial information (cont'd)*
SELECTED KEY OPERATING METRICS AND DATA PER SHARE

	2018	2017	2016
Return on equity, % ¹⁾	16.1	15.4	15.9
Return on capital employed, % ¹⁾	14.4	13.6	14.7
Capacity utilisation, % ²⁾	77.2	77.6	77.6
EBITA, SEK m ¹⁾	1,243	1,027	– ⁴⁾
EBITA excluding items affecting comparability, SEK m ¹⁾	1,268	1,117	– ⁴⁾
EBITA margin, % ¹⁾	8.9	8.1	– ⁴⁾
EBITA margin excluding items affecting comparability, % ¹⁾	9.1	8.8	– ⁴⁾
EBITDA, SEK m ¹⁾	1,358	1,132	1,074
Equity per share, before dilution, SEK ^{1), 2)}	70.42	64.30	60.19
Net debt, SEK m ¹⁾	3,455	2,631	2,298
Net debt/EBITDA, rolling 12 months, times ¹⁾	2.5	2.3	2.1
Net debt-equity ratio, % ¹⁾	63.2	52.7	48.9
Interest-bearing liabilities, SEK m ¹⁾	3,694	2,854	2,627
Operating profit (EBIT) SEK m ¹⁾	1,203	1,033	965
Equity ratio, % ¹⁾	41.4	43.8	45.1
Total growth, % ¹⁾	10.4	14.3	12.4
Acquired growth, % ¹⁾	4.1	11.0	9.5
Organic growth, % ¹⁾	6.3	3.3	2.9
of which currency effects	-1.1	0.4	-0.2
of which calendar effects (difference in number of working days)	-0.4	-0.3	-
Adjusted/underlying organic growth, % ¹⁾	5.6	3.5	– ⁴⁾

1) Alternative performance measures, not audited.

2) Non-financial measure.

3) Average number of shares before dilution: 2018: 77,396,321; 2017: 77,700,879; 2016: 77,937,176.

4) Not reported in 2016.

DEFINITIONS

Measure	Definition and reason for use
Return on equity	Profit/loss after tax in relation to average shareholders' equity (equity brought forward added with equity carried forward divided by two) including non-controlling interests. The measure shows the Company's profitability in relation to equity (shareholders' equity). The measure is used to assess the Company's ability to generate return on equity and profit.
Return on capital employed	Profit/loss after financial items and restoration of financial expenses (including currency effects, net, excluding discount rate) in relation to capital employed (average balance sheet total (balance sheet carried forward for the five preceding quarters divided by five), less non-interest-bearing liabilities and net deferred tax). The measure shows the Company's profitability in relation to external financed capital and equity.
EBITA	Operating profit/loss with restoration of acquisition-related items. EBITA shows profit from operating activities in an acquisition-intensive company to distinguish between operating activities and acquisition-related items. The purpose of the measure is to show the operating activities and earnings of an acquisition-intensive company such as ÅF Pöyry. Accordingly, the measure facilitates for investors to distinguish between income statement items relating to operating activities and income statement items relating to acquisition-related activities.
EBITA excluding items affecting comparability	EBITA excluding items affecting comparability. In 2018, items affecting comparability consisted of transaction costs attributable to the acquisition of Pöyry. In 2017, items affecting comparability consisted of restructuring costs. In 2016, items affecting comparability consisted of revaluation of contingent considerations, restructuring costs and repayment of pensions. EBITA excluding items affecting comparability increases comparability of EBITA.
EBITA margin	EBITA in relation to net sales. EBITA margin is used to measure operating profitability.
EBITA margin excluding items affecting comparability	EBITA margin excluding items affecting comparability. In 2018, items affecting comparability consisted of transaction costs attributable to the acquisition of Pöyry. In 2017, items affecting comparability consisted of restructuring costs. In 2016, items affecting comparability consisted of revaluation of contingent considerations, restructuring costs and repayment of pensions. EBITA margin excluding items affecting comparability allows comparability of operating activities.
EBITDA	Earnings before interest, taxes, depreciation and amortisation. EBITDA is relevant for investors who want to understand earnings before investments in non-current assets.
Equity per share	Equity attributable to the parent company's shareholders relative to total number of outstanding shares before dilution. Equity per share shows the net asset value of the Company's shares.
Net debt	Interest-bearing liabilities including pension liabilities and accrued interest, less financial assets. Net debt measures the Group's total indebtedness.
Net debt/EBITDA	Net debt in relation to earnings before interest, taxes, depreciation and amortisation. Net debt/EBITDA is relevant for showing the Company's ability to repay its debt.
Net debt-equity ratio	Net debt in relation to equity including non-controlling interests. Net debt-equity ratio is relevant in order to monitor the Company's indebtedness in relation to equity.

B.7	<i>Selected historical key financial information (cont'd)</i>	Interest-bearing liabilities	Interest-bearing liabilities consist of bank loans, bond loans, commercial paper programme, staff convertibles, financial leasing liabilities and pension liabilities.
		Operating profit (EBIT)	Profit/loss before net financial items and tax (earnings before interest and taxes). EBIT gives a full picture of the earnings of the operating activities.
		Equity ratio	Equity including non-controlling interests in relation to balance sheet total. The measure is relevant as a measure of current self-financing, since it shows what part of the assets that has been financed by equity.
		Total growth	Total growth of net sales compared to previous year. Total growth shows the Company's growth compared to the previous year.
		Acquired growth	Yearly growth of net sales of acquired businesses. Acquired growth shows the acquired part of net sales.
		Organic growth	Yearly growth of net sales excluding acquisitions. Organic growth shows the Company's own accomplished growth excluding acquisitions.
		Adjusted/underlying organic growth	Organic growth adjusted for currency effects and calendar effects. In 2018, the currency effects were mainly attributable to fluctuations in NOK, DKK and CHF. In 2017, the currency effects were mainly attributable to fluctuations in NOK and DKK. In 2016, the currency effects were mainly attributable to negative fluctuations in NOK. In 2018, the calendar effects were mainly attributable to one working day less compared to last year. In 2017, the calendar effects were mainly attributable to one working day less compared to last year. The measure is used to increase comparability of the organic growth between the years excluding currency and calendar effects.

In 2018, net sales amounted to SEK 13,975 million (12,658 for the financial year 2017). Adjusted for items affecting comparability, EBITA amounted to SEK 1,268 million (1,117) and the EBITA margin was 9.1 (8.8) per cent. EBITA amounted to SEK 1,243 million (1,027), and the EBITA margin was 8.9 (8.1) per cent. Underlying strong demand, primarily in the buildings segment, and the Company's ability to deliver full-service solutions for the entire development chain from design and requirements, to architecture, development and testing contributed to the increased net sales and the improved margins. Items affecting comparability amounted to SEK 25 million (90) and refer 2018 to transaction costs attributable to the acquisition of Pöyry.

In 2017, net sales amounted to SEK 12,658 million (11,070). Adjusted for items affecting comparability, EBITA amounted to SEK 1,117 million (996), and the EBITA margin was 8.8 (9.0) per cent. EBITA amounted to SEK 1,027 million (992), and the EBITA margin was 8.1 (9.0) per cent. Increased industrial digitalisation and demand for automation solutions by the clients, as well as high demand from the automotive and food and pharma industries, several acquisitions and a strong market for digital solutions due to increased digitalisation in all of the Company's sectors contributed to the increased net sales. The EBITA margin was negatively affected by weak performance in the acquired Norwegian company Reinertsen, now called ÅF Engineering AS, and the transition from several large projects to medium-sized projects. Items affecting comparability amounted to SEK 90 million (4) and consisted 2017 of costs for a restructuring programme.

Significant changes since 31 December 2018

On 21 February 2019, ÅF's acquisition of Pöyry closed following approvals from relevant competition authorities had been received and all other conditions in the public offer been fulfilled.

On 21 February 2019, the Board of Directors of ÅF Pöyry resolved on a directed share issue of class B shares to certain former major shareholders in Pöyry.

On 20 March 2019, ÅF Pöyry's Board of Directors resolved, in accordance with the Extraordinary General Meeting's authorisation on 16 January 2019, to increase the Company's share capital through the forthcoming rights issue of shares of class A and B.

B.8	<i>Selected key pro forma financial information</i>	<p>The acquisition of Pöyry, the loan financing incurred in relation to the acquisition of Pöyry and the directed share issue that was resolved on 21 February 2019 in order to finance parts of the repayment of the loan financing are deemed to have a significant and direct effect on ÅF Pöyry's future results of operations, financial position and cash flows.</p> <p>Neither the proceeds from, nor the transaction costs relating to, the forthcoming rights issue have been considered in the pro forma financial information. The pro forma financial expenses have been calculated based on that the financing and indebtedness that might have existed had not taking into account the forthcoming rights issue.</p> <p>The purpose of the pro forma financial information is to present an illustrative overview of the effects the acquisition of Pöyry, the loan financing (incurred in relation to the acquisition of Pöyry) and the carried out directed share issue might have had on</p> <ul style="list-style-type: none"> i) ÅF's consolidated income statement for 2018 as if the acquisition of Pöyry had been carried out as at 1 January 2018; and ii) ÅF's consolidated balance sheet as of 31 December 2018 as if the acquisition had been carried out as of this date.
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B.8 *Selected key pro forma financial information (cont'd)*

The pro forma financial information is solely meant to describe a hypothetical situation and has been prepared for illustrative purposes only to inform about, and illustrate, facts, and is therefore not intended to show the financial position or results during the period, as if the above events had occurred on the mentioned dates. Furthermore, the pro forma financial information does not show the financial position or the results of operations as of a future date. Synergies and integration costs have not been considered in the pro forma financial information. The pro forma income statement and the pro forma balance sheet have been based on ÅF's and Pöyry's consolidated income statements and consolidated balance sheets, respectively, that are included in ÅF Pöyry's and Pöyry's audited annual reports for the financial year 2018, respectively.

CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT FOR THE FINANCIAL YEAR 2018

SEK million	ÅF	Pöyry	Pro forma adjustment	Pro forma
Net sales	13,975	5,943	0	19,918
Purchases of services and materials	-3,547	-158	0	-3,705
Other external costs	-1,073	-565	25	-1,614
Personnel costs	-7,996	-3,480	-28	-11,504
Other operating income	0	12	0	12
Other operating expenses	-1	-1,147	0	-1,148
Profit attributable to participations in associates	0	4	0	4
EBITDA	1,358	610	-3	1,965
Depreciation/amortisation and impairment of non-current assets ¹⁾	-115	-44	0	-159
EBITA	1,243	565	-3	1,806
Acquisition-related items	-40	0	-198	-238
Operating profit (EBIT)	1,203	565	-201	1,567
Profit/loss from financial items				
Financial income	26	85	0	110
Financial expenses	-125	-54	-69	-249
Net financial items	-99	31	-69	-138
Profit after financial items	1,103	596	-270	1,429
Tax	-253	-114	65	-302
Profit for the period	850	482	-205	1,127

1) Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.

CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET AS OF 31 DECEMBER 2018

SEK million	ÅF	Pöyry	Pro forma adjustments	Pro forma
ASSETS				
Total non-current assets	8,432	1,633	4,219	14,284
Total current assets	4,776	2,702	-326	7,152
TOTAL ASSETS	13,208	4,334	3,893	21,435
EQUITY AND LIABILITIES				
Total equity	5,465	1,812	-1,031	6,246
Total non-current liabilities	3,718	168	2,340	6,225
Total current liabilities	4,026	2,354	2,584	8,964
Total liabilities	7,744	2,522	4,924	15,189
TOTAL EQUITY AND LIABILITIES	13,208	4,334	3,893	21,435

B.9 *Profit forecast or estimate*

Excluding Pöyry, ÅF's net sales for the first quarter 2019 are expected to be higher than net sales for the corresponding period 2018, whereas EBITA (not including the effects of IFRS 16), excluding acquisition costs and other costs affecting comparability, is expected to be in line with EBITA for the corresponding period 2018.

B.10 *Audit report qualifications*

Not applicable. There are no qualifications in the audit reports pertaining to the historical financial information.

B.11 <i>Insufficient working capital</i>	<p>It is ÅF Pöry's assessment that the Company's working capital (i.e., excluding proceeds from the forthcoming rights issue) is not sufficient for the present requirements during the next twelve months since ÅF Pöry, within 12 months from 7 December 2018, needs to repay bridge financing of approximately EUR 348 million, which during a transitional period finances the purchase price for ÅF's acquisition of Pöry. The total purchase price for the acquisition amounts to approximately SEK 6,406 million. In this context, working capital refers to ÅF Pöry's ability to access liquid resources in order to meet liabilities as they fall due.</p> <p>ÅF Pöry has partly repaid the bridge financing with proceeds from the directed share issue that was resolved on 21 February 2019, and intends to repay the remaining part through the proceeds from the forthcoming rights issue. Through the shareholders ÅForsk, Handelsbanken Fonder, Corbis S.A. ("Corbis"), the Fourth Swedish National Pension Fund, EQT, Procurator-Holding Oy ("Procurator"), Mariatorp Oy ("Mariatorp") and Wipunen Varainhallinta Oy ("Wipunen"), ÅF Pöry has received subscription commitments to subscribe for respective pro rata shares of the rights issue, which, in aggregate correspond to 32.2 per cent of the rights issue. Furthermore, Swedbank Robur and other shareholders have declared their intention to subscribe for their respective pro rata share of the rights issue, corresponding to 11.8 per cent of the rights issue. The subscription commitments and declarations of intent total 44.0 per cent of the rights issue. However, the subscription commitments are not secured.</p> <p>If the rights issue, notwithstanding these subscription commitments and declarations of intent, does not generate a sufficient amount to repay the bridge financing, ÅF Pöry may have a working capital deficiency of up to SEK 1,800 million as at 7 December 2019. If this should occur, ÅF Pöry may have to seek alternative financing, such as additional share capital or other bank financing, for the outstanding amount or may be forced to renegotiate the terms of the bridge financing. It is ÅF Pöry's assessment that the outlook of finding alternative financing is good, if deemed necessary. If ÅF Pöry does not succeed in obtaining alternative financing or in reaching an agreement regarding the bridge financing, it could ultimately mean that ÅF Pöry needs to review its organisational structure or dispose parts of its business.</p>
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Section C – Securities

C.1 <i>Securities offered/admitted to trading</i>	Shares of class A (ISIN code SE0005999828) and shares of class B (ISIN code SE0005999836), respectively, in ÅF Pöry.
C.2 <i>Currency</i>	The currency of the shares in ÅF Pöry is SEK.
C.3 <i>Number of shares issued</i>	As of the date of this prospectus, the Company's registered share capital was SEK 210,390,967.50, represented by 3,217,752 non-listed shares of class A and 80,938,635 listed shares of class B, each with a quota value of SEK 2.50.
C.4 <i>Rights attached to the securities</i>	<p>Each share of class A carries ten (10) votes and each share of class B carries one (1) vote. Each shareholder is entitled to vote for the total number of shares held without limitation of the voting powers.</p> <p>If the Company resolves to issue new shares of class A and class B through an issue against a method of payment other than capital contributed in kind, each holder of shares of class A and/or class B shall have a preferential right to subscribe for new shares of the same share class in proportion to the number of shares the holder already holds (primary preferential rights). Shares which are not subscribed for under primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for under subsidiary preferential rights, the shares shall be allotted among the subscribers in proportion to the number of shares already held or, to the extent that this is not possible, by lot.</p> <p>If the Company resolves on a new issue against a method of payment other than capital contributed in kind of class A or class B shares only, all shareholders, irrespective of whether their shares are of class A or class B, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares they already hold.</p> <p>The above provisions on rights issues shall apply correspondingly to issues of options and convertibles, and shall not imply any curtailment of the right of the Company to resolve on new issues other than rights issues. In the event of an increase in the share capital through a bonus issue of new shares, new shares of each share class shall be issued in proportion to the number of shares in the same share class that already existed. In that event, the existing shares of a certain share class shall carry the right to new shares of the same share class.</p> <p>All shares carry the same right to share in the Company's profit and any surplus in the event of liquidation.¹⁾</p>

1) According to the terms of the Company's staff convertibles, shares that have been converted after a certain date do not entitle to dividend at the upcoming Annual General Meeting. As of the date of this prospectus, 163,672 shares of class B do not entitle to dividend on the Annual General Meeting 2019.

C.5	Restrictions on the free transferability	Not applicable. The shares are not subject to any restrictions on the free transferability.
C.6	Admission to trading	ÅF Pöry's shares of class B are traded on Nasdaq Stockholm. Following registration of the new shares at the Swedish Companies Registration Office, the shares of class B issued in the forthcoming rights issue will also be traded on Nasdaq Stockholm. ÅF Pöry's shares of class A are not subject to organised trading.
C.7	Dividend policy	The Board of Directors has adopted a dividend policy according to which the dividend corresponds to approximately 50 per cent of consolidated profit after tax excluding capital gains.

Section D – Risks

D.1	Key risks specific to the issuer or its industry	<p>An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to ÅF Pöry and the future performance of the shares. Set out below is a summary of the key risks specific to the industry and/or the operations:</p> <ul style="list-style-type: none"> • ÅF Pöry is exposed to risks related to changed market conditions and adverse economic trends. Demand for ÅF Pöry's consulting services depends on the general economic situation within the branches, industries and sectors to which ÅF Pöry offers its services, which in turn is affected by macroeconomic factors in the countries and regions in which ÅF Pöry operates. A negative macroeconomic development as well as changed market conditions and market trends may thus have a material adverse effect on ÅF Pöry's business, results of operations and financial position. • ÅF Pöry is exposed to risks related to the execution of projects and performance of consulting services. ÅF Pöry is dependent on adequately and reliably calculating and estimating time expenditures and the costs for the implementation of a project and performing a consulting service, and on its ability to foresee costs for an assignment, assessing which resources and employees are required for the performance of the assignment, effectively project managing the services delivered, and supervising and monitoring the events and factors that can delay or adversely affect the performance of an assignment. Furthermore, claims or other demands may be made against ÅF Pöry if services that ÅF Pöry performs are – or are alleged to be – incorrect or poorly executed. Risks relating to the execution of projects and performance of consulting services may have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial position. • ÅF Pöry is exposed to risks related to client agreements with a fixed-price component. From time to time, ÅF Pöry enters into fixed-price agreements and framework agreements with fixed-price components. Revenues from agreements with fixed-price components are reported applying what is referred to as the percentage of completion method, whereby revenues are reported based on the degree of completion. The degree of completion is determined by comparing expenditures incurred at the end of the reporting period with estimated total expenditures. This means that ÅF Pöry must estimate the proportion of total expenditures that will be incurred at the end of the reporting period. There is a risk that ÅF Pöry will incorrectly estimate profit margins in projects with a fixed-price component. This factor, and changed estimates during the performance of the project, may have a material adverse effect on ÅF Pöry's results of operations and financial position. • ÅF Pöry is dependent on maintaining high capacity utilisation, well-considered hourly rates and a favourable capacity utilisation structure. ÅF Pöry's profitability is dependent on the Company being able to maintain a high level of capacity utilisation as well as well-considered and optimised hourly rates. If ÅF Pöry fails to optimise invoiceable time relative to the total time when its employees are present, or fails to maintain well-considered and optimised hourly rates as well as a favourable capacity utilisation structure, this may have a material adverse effect on ÅF Pöry's business, results of operations and financial position. • Increased competition can adversely affect ÅF Pöry's business. Increased competition can adversely affect ÅF Pöry's business. Should ÅF Pöry fail to adapt to new technology and new business models, or for any other reason fail to compete effectively, this may have a material adverse effect on its business, results of operations and financial position. • ÅF Pöry is dependent on attracting and retaining employees with key skills. If ÅF Pöry fails to attract, develop, retain and incentivise skilled personnel, this may make it more difficult for ÅF Pöry to secure assignments and deliver services of the quality and quantity that the Company's clients expect, which may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.
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D.1	<i>Key risks specific to the issuer or its industry (cont'd)</i>	<ul style="list-style-type: none"> • The acquisition of Pöyry carries integration and transaction risks. The acquisition of Pöyry carries integration and transaction risks. There is also a risk that ÅF Pöyry will be unable to fully realise the anticipated synergies and strategic benefits of the combination. Risks relating to mergers and acquisitions, including the acquisition of Pöyry, may have a material adverse effect on ÅF Pöyry's business, results of operations and financial condition.
D.3	<i>Key risks specific to the securities</i>	<p>Set out below is a summary of the key risks specific to the shares and the rights issue.</p> <ul style="list-style-type: none"> • The share price can be volatile and the share price development is affected by several factors. Risk and risk taking is inevitably linked to shareholding. Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. • Future sales of major shareholdings and share issues could have an adverse effect on the share price. Substantial sales of shares by major shareholders could have an adverse effect on the Company's share price and any additional new issues of shares that – as the forthcoming rights issue – will lead to a dilution of ownership for shareholders who do not participate. • The Company's largest shareholder can exert a substantial influence over ÅF Pöyry. ÅF Pöyry's largest shareholder, ÅForsk, holds shares equivalent to approximately 10.8 per cent of the share capital and 33.6 per cent of the votes in the Company. ÅForsk can thus, both before and after the rights issue, exert a substantial influence over ÅF Pöyry in matters that are subject to the approval of the shareholders. This concentration of ownership could prove to be disadvantageous for shareholders with other interests than those of ÅForsk. • The Company's ability to pay future dividends depends on several factors. ÅF Pöyry's ability to pay future dividends is depending on the Group's future results, financial position, cash flow, working capital requirements and other factors.

Section E – Offer

E.1	<i>Net proceeds and expenses</i>	ÅF Pöyry will raise a maximum of SEK 2,777 million through the rights issue before costs related to the rights issue. The costs related to the rights issue to be deducted from the proceeds are estimated at approximately SEK 23.6 million.
E.2a	<i>Reasons for the offer, use of proceeds</i>	<p>On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry for an offer price of EUR 10.20 per share, corresponding to a total value of EUR 611 million. The acquisition closed on 21 February 2019 following that approvals from the relevant competition authorities had been received and all other conditions in the public offer had been fulfilled. Through the acquisition, ÅF Pöyry is expected to create a robust platform to drive local and international growth within selected segments.</p> <p>The combination of ÅF and Pöyry is expected to result in significant annual cost synergies of at least approximately SEK 180 million, expected to be implemented in full by 2020, at the latest. In addition, there is also potential for revenue synergies. The combination is expected to be accretive to ÅF Pöyry's earnings per share adjusted for costs relating to the acquisition in 2019, and accretive to ÅF Pöyry's earnings per share from 2020. Integration costs are estimated to correspond to approximately one year of cost synergies. The integration costs are expected to be incurred in 2019.</p> <p>ÅF's public offer was partly financed through debt financing in form of bridge financing that is due within 12 months from the date when the debt financing agreement was entered into on 7 December 2018. As a result, it is ÅF Pöyry's assessment that its working capital is not sufficient for the present requirements during the next twelve months since ÅF, within 12 months from 7 December 2018, needs to repay bridge financing of approximately EUR 348 million, which during a transitional period finances the purchase price in the acquisition of Pöyry. In connection with the announcement of the public offer, ÅF announced its intention to carry out two share issues to finance the partial repayment of the debt financing for the public offer and thereby cover the working capital need; a directed share issue to certain former major shareholders in Pöyry, resolved on 21 February 2019, and the forthcoming rights issue to existing shareholders in ÅF Pöyry. The rights issue will raise not more than SEK 2,777 million before deduction of costs related to the rights issue, estimated at approximately SEK 23.6 million. The net proceeds from the rights issue will, in whole, be used to reduce ÅF Pöyry's indebtedness, as will the proceeds from the directed share issue of approximately SEK 1,210 million. The share issues are a part of reaching ÅF Pöyry's financial target of a net debt in relation to EBITDA of 2.5 over a business cycle.</p>

E.3 <i>Terms and conditions of the offer</i>	<p>The Board of Directors of ÅF Pöry resolved on 20 March 2019, in accordance with the Extraordinary General Meeting's authorisation on 16 January 2019, to increase the Company's share capital through the issue of shares of class A and B with preferential rights for ÅF Pöry's shareholders to subscribe for the new shares.</p> <p>The rights issue resolution entails that the Company's share capital will increase by not more than SEK 70,130,322.50, from the current SEK 210,390,967.50 to not more than SEK 280,521,290, through the issuance of not more than 28,052,129 new shares, of which not more than 1,072,584 shares of class A and not more than 26,979,545 shares of class B. After the rights issue, the number of shares in ÅF Pöry will amount to not more than 112,208,516 shares, of which not more than 4,290,336 shares of class A and not more than 107,918,180 shares of class B. The Company's shareholders have preferential rights to subscribe for new shares in relation to the number of ÅF Pöry shares previously held. The record date to receive subscription rights in the rights issue is on 27 March 2019.</p> <p>Individuals registered on the record date as shareholders in ÅF Pöry will receive one (1) subscription right for each share held on the record date, whereby three (3) subscription rights of each class entitle to subscription for one (1) new share of the corresponding class (primary preferential right). Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right.</p> <p>The subscription price has been set at SEK 99 per share. Provided that the rights issue is fully subscribed, ÅF Pöry will consequently raise in total SEK 2,777 million before costs related to the rights issue.</p>
E.4 <i>Interests material to the offer</i>	<p>ÅF Pöry's financial advisors in relation to the rights issue are SEB (Kungsträdgårdsgatan 8, SE-106 40 Stockholm) and Handelsbanken (Blasieholmstorg 11, SE-106 70 Stockholm). SEB and Handelsbanken also act as Joint Global Coordinator in connection with the offering under this prospectus. From time to time, SEB and Handelsbanken (and their affiliates), respectively, have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to ÅF Pöry for which they have received, and may receive, compensation. Furthermore, SEB and Handelsbanken (and their affiliates), respectively are lenders and/or brokers of loans granted to ÅF Pöry.</p> <p>Eight major shareholders in ÅF Pöry, together holding shares representing 32.2 per cent of the shares and 49.5 per cent of the votes in ÅF Pöry, have undertaken to exercise their preferential rights in the rights issue and thereby subscribe for new shares corresponding to their respective holding in the Company, i.e., totalling 32.2 per cent of the rights issue.</p>
E.5 <i>Person/entity offering to sell the security, lock-up agreements</i>	<p>Not applicable. The offer under this prospectus comprises newly issued shares and no lock-up agreements have been entered into. However, Corbis, Procurator, Mariatorp and Wipunen have agreed, with certain exceptions, not to divest any shares in ÅF Pöry during a period of 180 days after the consummation of the directed share issue that was resolved on 21 February 2019.</p>
E.6 <i>Dilution</i>	<p>The forthcoming rights issue will, if fully subscribed, result in an increase of the number of shares in the Company from 84,156,387 shares (3,217,752 shares of class A and 80,938,635 shares of class B) to 112,208,516 shares (4,290,336 shares of class A and 107,918,180 shares of class B), representing an increase of approximately 33 per cent. Shareholders who decline to subscribe for shares in the rights issue will experience a dilution with a total of 28,052,129 new shares, representing 25 per cent of the total shares in the Company after the rights issue.</p>
E.7 <i>Expenses charged to the investor</i>	<p>Not applicable. The issuer will not impose any charges or taxes on investors.</p>

Risk factors

An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to ÅF Pöyry and the future performance of the shares. The risks currently considered to be of importance to ÅF Pöyry are described below, without being ranked in particular order of importance. There are risks both regarding circumstances linked to ÅF Pöyry and/or the industry and those that are of a more general nature as well as risks associated with the shares and the rights issue. Some risks are beyond ÅF Pöyry's control. The description below does not purport to be complete and, for natural reasons, all risk factors cannot be predicted or described in detail. Therefore, an overall assessment must also include the other information in the prospectus, as well as a general assessment of extraneous factors. The below risks and uncertainty factors may have a material adverse effect on ÅF Pöyry business, results of operations and financial condition. They may also cause the shares in ÅF Pöyry to decrease in value, which may result in ÅF Pöyry's shareholders losing all or part of their invested capital. Additional factors of which ÅF Pöyry is currently unaware of, or which currently are not deemed to be risks, may also have corresponding negative effects.

Risks related to the operations and the industry

ÅF Pöyry is exposed to risks related to changed market conditions and adverse economic trends.

ÅF Pöyry is an engineering and design company that provides consulting services and undertakes projects for the energy, industry and infrastructure sectors as well as within management consulting, and it has clients within both the private and public sectors. Demand for ÅF Pöyry's consulting services depends on the general economic situation within the branches, industries and sectors to which ÅF Pöyry offers its services, which in turn is affected by macroeconomic factors in the countries and regions in which ÅF Pöyry operates, including the growth rate in the global economy, exchange rate fluctuations, interest rate levels and inflation. Demand for consulting services is also dependent on political decisions and prioritisations, access to labour, the employment level, investments within infrastructure and industry, as well as technological and digital developments. For example, the energy market is largely dependent on national political decisions which are executed by local authorities, while the rate of urbanisation is an important driver as regards demand for infrastructure projects. Changed market conditions due to, for example, a weaker economic climate, a reduced willingness to invest among clients, changed political prioritisations, delayed or cancelled infrastructure investments or projects, or consolidation among clients, may lead to lower demand for ÅF Pöyry's services. A negative macroeconomic development as well as changed market conditions and market trends may thus have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

In 2018, 30 per cent of ÅF's sales comprised sales of services to the public sector. There is a risk that the purchasing power of ÅF Pöyry's clients within the public sector will decline as a consequence of public austerity measures or political decisions. There is also a risk that ÅF Pöyry's clients within the public sector might, for political, financial or other reasons, decide to

reduce current or future investments within areas in which ÅF Pöyry offers services. A changed investment level on the part of ÅF Pöyry's public sector clients may have the consequence that ÅF Pöyry is unable to maintain its current level of revenues from that sector, which may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

A weaker economic climate with reduced purchasing power and increased needs to make savings can also affect the financial ability and willingness to invest of ÅF Pöyry's clients and lead to reduced access to, and thereby less favourable conditions for securing, financing for the clients and industries to which ÅF Pöyry offers its services. In addition, in a recession, it can be difficult for ÅF Pöyry to maintain profitable pricing and receive payment on time. ÅF Pöyry has a relatively large part of fixed costs, whilst its revenues are more variable and sensitive to upturns and downturns in the economy than its costs. In order to manage its fixed costs, of which salaries and remuneration to employees constitute a large part, ÅF Pöyry may therefore be forced to terminate employees. Such terminations may lead to a reduced ability to take on new, profitable assignments, adverse publicity, and put a strain on relations with employee organisations. Hence, a downturn in the economy may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to the execution of projects and performance of consulting services.

ÅF Pöyry's business includes delivery of services by undertaking projects or as expertise and resource enhancement in the form of traditional consulting services to clients. In larger project undertakings, ÅF Pöyry normally acts as a partner to the client, leading and running the entire project and being paid to deliver a solution or outcome within a set timeframe. The projects may, among other things, aim to helping clients reducing costs or increasing productivity, or expanding into new areas or markets.

When a client temporarily needs human resources or skills in different areas or processes, it is usually the client who leads and runs the project, and ÅF Pöyry's contribution is to bring the necessary skills to help the client's project run efficiently. The client pays for the time spent by ÅF Pöyry. ÅF Pöyry has certain recurring major clients who are important for the Company's operations. ÅF Pöyry is dependent on maintaining good relationships with its clients, in particular major recurring clients who contribute with a large part of the Company's net sales. If ÅF Pöyry loses such clients or if its relationships with clients deteriorate, it may have a material adverse effect on its business, result of operations and financial condition.

ÅF Pöyry's profitability and earnings capability depend on a well-balanced business model and effective project management, where costs are calculated and monitored in a reliable manner and where projects and consultancy assignments are performed efficiently. Accordingly, ÅF Pöyry is dependent on adequately and reliably calculating and estimating time expenditures and the costs for the implementation of a project and performing a consulting service, and on its ability to foresee costs for an assignment, assessing which resources and employees are required for the performance of the assignment, effectively project managing the services delivered, and supervising and monitoring the events and factors that can delay or adversely affect the performance of an assignment.

The technical engineering services that ÅF Pöyry supplies form the basis for the development of products, systems, buildings, infrastructures and industry. ÅF Pöyry has a major responsibility to supply services and/or functions which meet clients' requirements and expectations as to quality, performance and scheduling, and in compliance with prevailing legislation. Therefore, ÅF Pöyry's services must meet certain requirements as regards time, quantity or quality which are agreed upon with the client when entering into the agreement or during the course of the project, and claims or other demands may be made against ÅF Pöyry if services that ÅF Pöyry performs are – or are alleged to be – incorrect or poorly executed. Some of ÅF Pöyry's projects consist of engineering, procurement and construction ("EPC"), while others are operation and maintenance service projects. These types of projects are normally comprehensive and may require thorough and lengthy development work. Accordingly, these types of client agreements may contain increased risk and uncertainty factors relating to, among other things, financing, implementation and delivery. If ÅF Pöyry fails to deliver the services or projects it has undertaken to deliver – e.g. due to experienced quality shortcomings, incorrect estimates or calculations, or circumstances attributable to subcontractors or subconsultants – ÅF Pöyry may incur costs for rectifying shortcomings in its delivery, and this may also result in damage to the Company's reputation. The aforesaid also applies if ÅF Pöyry fails to perform projects within prescribed time frames. Deficient project management, incorrect calculation of resources and costs for the performance of the project as well as errors or shortcomings in the performance of a particular assignment may thus lead to significant additional costs or delayed performance of the assignment, and thereby affect ÅF Pöyry's profitability. The above and other risks related to the execution of projects and performance of consulting services may have a material adverse effect on ÅF Pöyry's reputation, business, results of operations and financial position.

Finally, there is a risk that, in the performance of services and assignments, ÅF Pöyry might be affected by various types of disruptions. Such disruptions may, for example, be due to strikes or other labour conflicts, technical breakdowns, difficult weather

conditions and natural disasters, data infringement, disruptions in any stage in the service performance process, or disruptions in IT systems. Such events may lead to disruptions in ÅF Pöyry's operations. These and other business disruptions may also have the consequence that, going forward, ÅF Pöyry's clients may choose other consulting firms than ÅF Pöyry, and may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to client agreements with a fixed-price component.

Most of ÅF Pöyry's project undertakings and consulting assignments are carried out on a current account basis, where revenues are recognised when the work is performed, and with clients normally being invoiced the following month. From time to time, ÅF Pöyry also enters into fixed-price agreements and framework agreements with fixed-price components. Revenues from agreements with fixed-price components are reported applying what is referred to as the percentage of completion method, whereby revenues are reported based on the degree of completion. The degree of completion is determined by comparing expenditures incurred at the end of the reporting period with estimated total expenditures. This means that ÅF Pöyry must estimate the proportion of total expenditures that will be incurred at the end of the reporting period. The forecasts for each assignment also constitute an estimate as regards final revenue and expenditures. Agreements with fixed-price components also expose ÅF Pöyry to risks inasmuch as the Company accepts a price for the assignment which is based on specified assumptions and estimates regarding the final cost for the assignment, which are made at the time when the agreement is entered into, and thus, ÅF Pöyry assumes the main risks related to performance of the assignment, as well as the warranty commitments that may apply following completion. When ÅF Pöyry enters into agreements with a fixed-price component, the Company also bears the risk that the costs and gross profit realised from such an assignment may differ substantially from the original calculations. In the case of fixed-price agreements which extend over a long period of time, these risks are accentuated further. The reporting of revenues and earnings is thus based on assessments regarding the total cost and revenues in each project. There is a risk that ÅF Pöyry will incorrectly estimate profit margins in projects with a fixed-price component. This factor, and changed estimates during the performance of the project, may have a material adverse effect on ÅF Pöyry's results of operations and financial position.

ÅF Pöyry is dependent on maintaining a high capacity utilisation rate, well-considered hourly rates and a favourable capacity utilisation structure.

ÅF Pöyry's profitability is dependent on the Company being able to maintain a high level of capacity utilisation as well as well-considered and optimised hourly rates. For example, each percentage change in capacity utilisation in 2018 would have affected ÅF's results of operations by approximately SEK +/-130 million. Hence, a small change in the capacity utilisation by ÅF Pöyry's employees may have a material effect on the Company's results of operations. The exposure to changes in capacity utilisation may increase as a consequence of the combination with Pöyry. A number of factors can affect the capacity utilisation of ÅF Pöyry's employees. These include the expertise and experience levels of the employees who perform services and assign-

ments, the diligence of employees when reporting time spent on assignments, the state of the economy and market conditions within ÅF Pöry's business areas, as well as the type and size of performed assignments. The hourly rate is also an important factor for the earnings of a consulting company. A change of 1 per cent in the hourly rate, with a retained capacity utilisation, would have affected ÅF's results of operations in 2018 by SEK +/- 100 million. Accordingly, the actual hourly pricing entails risk exposure. This risk exposure may increase as a consequence of the combination with Pöry. If ÅF Pöry fails to optimise invoiceable time relative to the total time when its employees are present, or fails to maintain well-considered and optimised hourly rates, this may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

ÅF Pöry's profitability is dependent on the Company's ability to provide assignments to its employees and maintain a favourable capacity utilisation structure in which the employees' expertise and availability are utilised in an optimal way. ÅF Pöry's ability to provide work for its employees depends, in turn, on the Company's ability to forecast the need for labour and to recruit personnel based on anticipated demand from clients, as well as the Company's ability to secure assignments. In a consulting company, assignments may vary in size from several thousand SEK to hundreds of millions SEK. Admittedly, when a major assignment is obtained, capacity utilisation is secured for a longer period of time. At the same time, however, vulnerability increases when a major assignment is completed, since work must be found in new assignments for a large number of consultants simultaneously. Major undertakings also increase the risk exposure, both from a financial perspective and in terms of the quality of the project performance. The capacity utilisation structure and thereby the invoicing rate are also affected by the Company's ability to switch employees from a project which has been delayed, discontinued or cancelled to new or other ongoing assignments, to address shortfalls in the business, and to match the expertise and experience of ÅF Pöry's employees with different assignments and the clients' needs and expectations. If the employees' capacity utilisation rate is low, this can adversely affect the Company's profitability. The opposite situation may result in excess staffing, which in turn may lead to dissatisfaction among employees and, ultimately, resignations. Finally, an inability to manage employees' work hours, various remuneration and salary models or other aspects of the employment relationship may result in ÅF Pöry's costs for providing services exceeding the revenues that the Company generates, or in ÅF Pöry failing to achieve the originally calculated margins for a particular assignment or project. These and other risks related to the invoicing rate, pricing and capacity utilisation may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

Increased competition can adversely affect ÅF Pöry's business.

The consulting services industry is characterised by intense competition for the most attractive assignments and low barriers to entry for smaller assignments. Competitive factors include ÅF Pöry's expertise and reputation, brand recognition, client relationships and references, as well as pricing. In order to compete effectively, ÅF Pöry must also implement new technology and continuously adapt and update its services and business model to prevailing technical conditions and trends. For example, going forward, artificial intelligence (AI) is expected to change market conditions and the competition landscape, also for consulting services. Technological and digital developments

may also result in ÅF Pöry being exposed to competition from companies that have not previously competed on the consulting services industry. In addition, the costs associated with service and technological development can be high. Should ÅF Pöry fail to adapt to new technology and new business models, or for any reason fail to compete effectively, this may have a material adverse effect on its business, results of operations and financial position.

In the case of smaller assignments, ÅF Pöry mainly competes with small local companies whose business can be limited geographically and in terms of capacity, and which focus on offering specialist know-how within a particular area. In larger regional and national turnkey assignments, ÅF Pöry competes with large, diversified and international companies with significant market shares, such as Sweco and WSP. Competition can increase through individual, local consulting companies expanding or advancing their market positions, either geographically or in terms of business area, or through consolidation of smaller companies. Competition can also increase if skilled employees or teams leave larger companies to start competing operations. In addition, for some years, consulting services brokers such as Ework and ZeroChaos have represented a new type of player on the consulting services market. Such consulting service brokers act as intermediaries between technical consulting companies and clients in the procurement of services. Increased competition may have the consequence that ÅF Pöry misses out on assignments or is forced to price its services less favourably, and this may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

A significant portion of ÅF Pöry's assignments – particularly assignments within the public sector – involve procured contracts that are awarded following a tender procedure in which the price is often the primary criterion as to which consulting company is chosen. Some of ÅF Pöry's competitors may be prepared to offer their services at lower prices than ÅF Pöry, to reduce personnel expenses, to accept lower profit margins, or to invest more capital in gaining or retaining clients. In addition, some of ÅF Pöry's current or future competitors may have greater resources than ÅF Pöry and use those resources to gain market shares at ÅF Pöry's expense. Therefore, ÅF Pöry may be forced to cut its prices in order to adapt to competitors' tenders. The loss of clients and failure to secure assignments, lower sales or deteriorating profitability and margins due to increased competition may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

ÅF Pöry is dependent on attracting and retaining employees with key skills.

ÅF Pöry's most important success factor is human capital. ÅF Pöry's ability to perform project undertakings, deliver advanced consulting services and secure new assignments is thus largely dependent on its ability to attract, develop, retain and incentivise skilled employees, such as qualified engineers, consultants and project managers, as well as senior executives and heads of division. The availability of such qualified employees is limited, and there is a risk that ÅF Pöry will fail to recruit competent personnel.

There is intense competition for skilled employees, such as qualified engineers and consultants, and this is expected to increase going forward. Should ÅF Pöry fail to attract, develop, retain and incentivise skilled personnel, this may make it more difficult for ÅF Pöry to secure assignments and deliver services of the quality and quantity that the Company's clients expect. There is also a risk of skilled employees leaving ÅF Pöry and

moving to competitors or clients, or starting their own business. There is also a risk that non-compete clauses in employment agreements may prove to be inadequate or non-enforceable. This risk is accentuated in the event leaving employees, who may be familiar with ÅF Pöyry and its business models and clients, also take other skilled employees with them. This may lead to a future shortfall in revenues and make it more difficult for ÅF Pöyry to complete ongoing assignments, and may thereby have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

As an engineering, design and consulting company, ÅF Pöyry generates its net sales through the sale of services performed by its employees. Personnel costs are ÅF Pöyry's largest cost item. The primary factors that affect ÅF Pöyry's personnel costs are the competence level and experience of the employees, compensation levels at competitive employers, general economic conditions, agreed salary agreements and the level of taxes, fees and pension. In order to be able to attract employees with the competence and experience required, ÅF Pöyry needs to offer competitive compensation levels. However, increased compensation levels may adversely affect ÅF Pöyry's results of operation. Conversely, if ÅF Pöyry offers too low compensation levels, it may lead to employees choosing to terminate their employment, which may adversely affect the Company's business.

ÅF Pöyry is exposed to risks related to mergers and acquisitions.

In recent years, consolidation has taken place within the engineering and consulting industry and, in 2018, ÅF acquired, among other companies, Gottlieb Paludan Architects A/S, a Danish firm of architects specialising in transport infrastructure, energy and industrial plant, and Konsultbolag1 AB, a Swedish IT niche consulting firm within testing and requirement management. There is a risk that, in the future, ÅF Pöyry will be unable to identify suitable acquisition objects or carry out strategic mergers and acquisitions due, for example, to competition from other purchasers or lack of financing. Should ÅF Pöyry fail to identify appropriate strategic merger or acquisition objects, ÅF Pöyry's expansion and growth possibilities may be adversely affected.

Mergers and acquisitions also carry risks related to the integration of new businesses and employees. In conjunction with mergers and acquisitions, it is important to retain key employees and to have a well-functioning and effective integration process, so that the integration has as little effect as possible on the business. Dissatisfaction may arise among personnel of both the acquired and acquiring company, which ultimately may result in key employees choosing to terminate their employment. In addition, ÅF Pöyry may incur significant acquisition costs as well as restructuring and other costs in connection with mergers and acquisitions. There is also a risk that anticipated synergies cannot be realised, turn out to be less than anticipated, or that additional integration costs must be incurred in order to achieve the synergies. There is also a risk that ÅF Pöyry will be required to impair goodwill or other intangible assets that arise in conjunction with acquisitions (see also "*Goodwill impairment may adversely affect ÅF Pöyry's results of operations and financial position*" below).

In connection with acquisitions, ÅF Pöyry may agree with the seller on a contingent consideration, which normally means that parts of the purchase price depend on the financial performance of the acquired business. The value is calculated based on the terms of the agreement and includes estimates of future revenue growth and operating margin, which have been calculated to present value. Calculation of the value depends on significant

estimates. Should the real outcome differ from these assumptions, or if the assumptions regarding future financial performance of an acquired business are changed, this may result in a change in the value of the reported contingent consideration, which may have a material adverse effect on ÅF Pöyry's results of operations and financial position.

Furthermore, there is a risk that the due diligence that ÅF Pöyry conducts will fail to identify all of the information needed to make correct decisions from a strategic, financial or legal perspective. Future mergers and acquisitions may also lead to further indebtedness and contingent liabilities, and expose ÅF Pöyry to unknown obligations. In connection with acquisitions, the acquired company's liabilities are usually assumed in addition to the acquisition of all of its assets. There is a risk that it has not been possible to identify all potential obligations or commitments prior to the acquisition or that the seller (in the event ÅF Pöyry has been given warranties) lacks the financial ability to compensate ÅF Pöyry for any breach of warranty. If ÅF Pöyry fails to receive compensation for such obligations or commitments, ÅF Pöyry may incur significant costs. Completed and future divestments of businesses can also expose ÅF Pöyry to risks that, among other things, follow from the terms for the sale of the relevant business, such as warranties, compensation for loss and representations to the benefit of the buyer with respect to the divested business. Finally, past acquisitions have resulted in disputes and legal claims, and may do so also in the future. See "*ÅF Pöyry is exposed to risks related to legal and administrative proceedings*" below for a description of the ongoing arbitration with Danir AB ("**Danir**"), which Danir initiated concerning ÅF's acquisition of Epsilon Holding AB from Danir in 2012. The above risks, as well as other risks relating to acquisitions, divestments and mergers, may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

Future mergers and acquisitions may force ÅF Pöyry to raise external financing and increase its indebtedness. There is, however, a risk that such financing will not be available on financially advantageous terms (see also "*The Group's indebtedness may adversely affect its financial position and ability to withstand any unfavourable development*" below). ÅF Pöyry may also choose to carry out new issues of shares or use own shares in order to fully or partially finance mergers and acquisitions. In the event mergers and acquisitions are financed through new issues of shares, this will result in dilution of the holdings of existing shareholders (see also "*Shareholders who do not participate in the issue of new shares are affected by dilution*" below). Finally, acquisition possibilities may be limited by the terms of loan agreements or the unwillingness of potential sellers to accept ÅF Pöyry's shares as a means of payment. Unavailability of cash funds or limited possibilities to use shares as a means of payment in conjunction with mergers or acquisitions may thus adversely affect ÅF Pöyry's expansion and growth.

The acquisition of Pöyry carries integration and transaction risks.

On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry. The acquisition closed on 21 February 2019 following that approvals from the relevant competition authorities had been received and all other conditions in the public offer had been fulfilled.

The acquisition of Pöyry may cause disruptions in ÅF Pöyry's business. The integration process can become complicated, costly and time-consuming, and will require integration of operations, organisation, enterprise systems and financial systems, corporate culture and personnel in two companies domiciled in two different countries and which operate in a large number of countries around the world. The integration process will also require significant time and attention from senior executives and heads of divisions, with the consequence that the attention and resources dedicated to ÅF Pöyry's ongoing business may be restricted. Furthermore, the two formerly separate legal entities, ÅF and Pöyry, have used a number of subconsultants and subcontractors in their respective operations. However, following the combination, there is a risk that such commercial relationships may be changed and that certain subconsultants may discontinue their respective commercial relationships with ÅF Pöyry. In addition, present and future employees may feel uncertain about their future roles within ÅF Pöyry, which may affect the company's ability to retain or recruit key employees. Should key employees terminate their employment due to uncertainty regarding, or difficulties with, the integration, or because they do not wish to be ÅF Pöyry employees, the operations may be disrupted and the Company may incur significant costs in order to identify, recruit and retain replacement personnel for those employees who leave (see also "*ÅF Pöyry is dependent on attracting and retaining employees with key skills*" above). These and other disruptions related to ÅF's combination with Pöyry may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

There is also a risk that ÅF Pöyry will be unable to fully realise the anticipated synergies and strategic benefits of the combination. For example, ÅF Pöyry's ability to realise the anticipated benefits may diminish or be delayed if the Company's relationships with clients deteriorate as a consequence of the combination. Should ÅF Pöyry fail to realise the anticipated strategic advantages of the combination, or if the integration or the anticipated financial or strategic advantages of the combination are not realised as quickly or to the extent that the Company anticipates, this may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

In connection with the acquisition of Pöyry, ÅF has incurred transaction costs, including costs for legal and financial advisors amounting to SEK 65 million. Furthermore, the total financing costs in connection with the acquisition amounted to SEK 65 million. ÅF Pöyry expects to incur additional costs going forward with respect to integration and restructuring processes, which may involve significant amounts. Already incurred and future transaction, integration and restructuring costs may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

In connection with the preparations for the acquisition of Pöyry, ÅF carried out a limited due diligence to confirm certain business-related, financial and legal information with respect to Pöyry, in accordance with applicable Finnish rules. ÅF's plans for the integration, its assessment of related costs and the anticipated strategic benefits of the combination are thus based on, among other things, a due diligence that was more limited than customary in conjunction with an acquisition of an unlisted company. There is a risk that ÅF has been unaware of all risks and obligations related to Pöyry and its business. There is thus a risk that unforeseen risks or obligations exist relating to Pöyry and that ÅF, had it been aware of such risks, would not have completed the acquisition on the terms on which it was completed. Such risks or obligations may also result in ÅF Pöyry

being required to fulfil obligations or otherwise be required to pay significant amounts, which may have a material adverse effect on its business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to subcontractors, subconsultants and other partners.

ÅF Pöyry collaborates with subcontractors, subconsultants and other partners during the various phases of a project. ÅF Pöyry's continued growth, both in respect of supplying professional engineers and complete project organisations, is leading to an increasing need for subcontractor and subconsultants with specialist expertise as well as such as are able to provide specific services.

The use of subcontractors and subconsultants exposes ÅF Pöyry to risks (both when the Company arranges an assignment and in those cases where partners are working in ÅF Pöyry's name), and in each project where subcontractors and subconsultants are used, the Company needs to ensure that they maintain the level of business ethics and conduct required by ÅF Pöyry. There is, however, a risk that ÅF Pöyry will be unable to monitor the compliance by its subcontractors and subconsultants with laws, regulations and policies, or ensure that they comply with the prescribed code of conduct. Violations of laws, regulations and policies by ÅF Pöyry's subcontractors or subconsultants may lead to adverse publicity and damage the Company's reputation, and may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

There is also a risk that subcontractors and subconsultants will fail to deliver on time or in accordance with the level, cost structure or quality that ÅF Pöyry expects. ÅF Pöyry's subcontractors and subconsultants may also cease to deliver services to ÅF Pöyry due to an inability or unwillingness to deliver, or may increase prices significantly. Should ÅF Pöyry's agreements with certain subconsultants be terminated, it may be difficult for ÅF Pöyry to purchase corresponding services within a reasonable time or at an acceptable cost. Disruptions or delays that affect ÅF Pöyry, including delays or terminations of agreements or the inability of subcontractors to deliver services within a prescribed time or at an acceptable cost, may have a material adverse effect on ÅF Pöyry's reputation, business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to partnerships and collaborations.

ÅF Pöyry is a party to several important collaborations and joint ventures, such as a project together with Sappi Ltd. aimed at reducing the environmental impact from a pulp mill in South Africa, and the East Link railway civil engineering project, where ÅF Pöyry (together with Tyréns) is the responsible technical consulting company. Joint ventures and other contractual and/or company law forms of collaboration may require unanimous approval by all parties for important decisions. If such a decision cannot be obtained when necessary, this may lead to deadlock in the operations. Differences of opinions among collaboration partners may result in delayed decisions or failure to agree on important issues. ÅF Pöyry does not have a majority control stake in all of its joint ventures, entailing an increased risk that ÅF Pöyry will be unable to take certain measures or decisions and that it is unable to control the behaviour of other parties. Should those parties fail to perform their obligations to ÅF Pöyry

or third parties, or violate laws and regulations or otherwise act improperly, or if the collaboration or partnership fails to function satisfactorily, or in the event of disagreement regarding the parties' respective rights and obligations, such circumstances may have a material adverse effect on the partnership or the collaboration in question and thereby on ÅF Pöry's business, results of operations and financial position.

ÅF Pöry is exposed to risks related to its international operations.

As a consequence of the acquisition of Pöry, ÅF Pöry's international presence has increased and the Company now operates in approximately 50 countries on five continents. ÅF Pöry's international operations expose the Company and its assets, including personnel and know-how, to risks related to, among other things, political instability, war, regional and/or cross-border conflicts, changed diplomatic relations, terrorism, criminality, protectionism, natural disasters, epidemics and health-related risks as well as strikes. In conjunction with ÅF Pöry's continued international expansion, there is an increased risk of threats and a negative effect on personnel and operations. ÅF Pöry operates in countries in which violence and threats of kidnapping for ransom or extortion are considered to be potentially major risks. Furthermore, there is a heightened risk of corruption in some of the jurisdictions in which ÅF Pöry operates.

Operating internationally, particularly in emerging markets, also exposes ÅF Pöry to other risks, such as unfavourable political changes, unforeseen legislative changes, inconsistent application of existing laws and regulations, unclear regulatory systems and tax systems, as well as different cultures, methods and routines for business operations. The international operations can also expose ÅF Pöry to potentially longer payment cycles, difficulties in securing payment of accounts receivables, and thereby an increased risk of credit losses (see also "ÅF Pöry is exposed to credit risks and counterparty risks" below). These and other risks related to ÅF Pöry's international operations may have a material adverse effect on its business, results of operations and financial position.

ÅF Pöry is exposed to sustainability and corruption-related risks.

ÅF Pöry operates in approximately 50 countries and is participating in projects in more than 100 countries. ÅF Pöry's operations on the global energy, industry and infrastructure markets, its geographic spread and strengthened position within the energy sector and public sector expose ÅF Pöry to risks related to sustainability factors such as human rights, employment conditions and corruption. The risks of corruption are greater on certain markets and within certain functions, where selling, purchasing, gifts and client activities constitute ÅF Pöry's most important risk areas. In conjunction with the hire of agents and intermediaries, the risks relating to corruption may increase, and there is a risk that the Company's due diligence of agents and intermediaries, if such due diligence is carried out, is not sufficient to discover or prevent corruption related risks. The risk of violation of human rights may come to the force in certain client assignments such as hydroelectric projects and mining operations, where displacement of people or conflicts with indigenous peoples may occur.

Legal proceedings are currently ongoing in Brazil with corruption allegations relating to, among other things, the award of contracts in connection with the construction of the Brazilian nuclear power plant Angra 3, including a contract with ÅF's Brazilian subsidiary AF Consult Brazil regarding no longer

ongoing engineering services. The focus of the proceedings is a former Brazilian president, but corruption allegations have also been directed against several persons, including three former employees of ÅF's foreign subsidiaries AF Consult Brazil, AF Consult Oy and AF Consult Switzerland, respectively. The Brazilian prosecutor claims, among other things, that ÅF was awarded the Angra 3 contract as a link to facilitate bribes to the former president from ÅF's client. In March 2019, the current CEO of AF Consult Brazil was incarcerated (and released shortly thereafter) in order to avoid any risk of him interfering with the pending investigation. As part of the investigation, the accounts of AF Consult Brazil have been frozen by court order. A trial against the persons charged for alleged corruption is expected to take place late 2019, at earliest. In Brazil, a company cannot be charged in a criminal proceeding, but it can, as a consequence of such proceeding, face liability for damages and liability of contraceptive nature. Depending on the outcome of the criminal proceedings, there is thus risk for such liability for one or more of the above mentioned ÅF subsidiaries.

Currently, judicial proceedings are underway in Latvia, concerning corruption allegations against a number of companies and private individuals with respect to the renovation of a power plant outside Riga. Within the scope of the proceedings, the Latvian prosecution authority has brought action against ÅF Pöry's Swiss subsidiary, a former head of ÅF Pöry's Energy division, another former employee of the Swiss subsidiary, and an agent with whom ÅF Pöry's Swiss subsidiary worked with in connection with the power plant renovation project in Riga. The Latvian prosecution authority alleges that ÅF Pöry's Swiss subsidiary gained improper advantages by influence peddling through the local agent. The criminal allegation relates to the fact that, during the period 2004–2007, the agent allegedly had the possibility to influence the awarding of contracts to the advantage of the Swiss subsidiary, including the contract for the power plant renovation. The proceedings, which are taking place in the first instance court, are not expected to be concluded in 2019. As a consequence of these Latvian proceedings, ÅF Pöry faces the risk of fines of up to EUR 3.6 million. The Company has made no provisions with respect to the proceedings. The proceedings have been the subject of certain media coverage, mainly in the Baltic states, but there is a risk that the proceedings will lead to more extensive media coverage when a judgment is announced.

The above, and other corruption allegations or investigations, may have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial position. Corruption-related allegations or investigations may also attract attention from authorities in other jurisdictions, for example the United States, and may lead to such authorities deeming to have jurisdictional power.

ÅF Pöry is exposed to risks related to international sanctions.

Economic and trade sanctions by the European Union, the United States and other jurisdictions have expanded in recent years. Certain Group companies operate or have operated in countries that are subject to sanctions, such as Iran and Russia. For example, Pöry operates in Iran through a branch of a subsidiary domiciled in Switzerland and has entered into certain projects in Iran or with Iranian entities in the past.

On 5 November 2018, the United States re-imposed all of its prior sanctions against Iran. Under the U.S. secondary sanctions regime, the President of the United States has the authority to sanction non-U.S. persons who engage in specified activities or

significant dealings with certain Specially Designated Nationals and Blocked Persons ("SDNs").

Sanctions laws are complex, and their application to a given circumstance can often be subject to interpretation and can be difficult to determine with certainty. ÅF Pöry has, for business reasons, decided not to conduct any new business in Iran or with Iranian entities. However, there can be no assurance that entities in the Group will not face allegations concerning sanctions violations related to past, ongoing or future activities or become subject to related investigations or claims. Sanctions regimes are also subject to frequent changes, and any changes in them could require ÅF Pöry to cease or limit its involvement in affected projects or markets. Changes to sanctions or any enforcement actions related to current or future sanction regimes could expose ÅF Pöry to the risk of alleged sanctions violations in respect of its ongoing or future projects.

If, for example, the United States were to impose secondary sanctions in relation to any projects that ÅF Pöry is or has been involved in, such sanctions could include import, export and finance restrictions and, in the worst case, losing access to U.S. markets or being subject to having assets frozen under U.S. law. Similarly, any related enforcement actions could result in material penalties, monetary damages or other expenses. Any such sanctions or enforcement actions could have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial condition.

ÅF Pöry is exposed to IT and cyber and information management risks.

ÅF Pöry's business is dependent on well-functioning IT infrastructure and uninterrupted access to IT-based tools, systems and communication platforms. IT systems are sensitive to damage and disruptions and unscheduled outages may lead to revenue shortfalls. Outages or disruptions may be caused by, among other things, computer viruses, power outages, human error, sabotage, weather and nature-related events or problems caused by substandard maintenance. In addition, IT attacks, errors and damage to IT systems, operational disruptions, incorrect or deficient deliveries of IT services by ÅF Pöry's IT providers as well as errors or delays in future implementations of new IT systems can also adversely affect ÅF Pöry's IT infrastructure. There is also a risk that operational disruptions, IT attacks or extended outages in ÅF Pöry's IT systems will lead to reduced confidence in ÅF Pöry and damage to its reputation. Furthermore, maintenance of a functioning and adequate IT infrastructure may be costly. These and other IT-related risks may have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial position.

Moreover, increased global cyber criminality, targeted threats and sophisticated cyber-related attacks constitute a part of the rapidly changing digital world. These threats expose the information assets of ÅF Pöry and its clients, partners and providers to risks, and requirements for confidentiality, privacy and accessibility are more demanding and require greater power to withstand cyber-attacks and other forms of infringements than previously. A cyber-related attack may lead to extensive adverse consequences, including damage to ÅF Pöry's reputation or competitiveness, and may result in increased protection costs, legal disputes or require adaptation measures. The above, and other cyber-related risks, may have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial position.

In certain cases ÅF Pöry's business also includes the handling of sensitive and confidential information. Information

management systems belonging to ÅF Pöry or other companies with whom the Company collaborates may be vulnerable to security violations, detrimental activity, data viruses, misplaced or lost data, automated or human errors and other similar events. The dissemination of confidential information may damage ÅF Pöry's reputation and result in costs for ÅF Pöry and thereby have a material adverse effect on its business, results of operations and financial position.

ÅF Pöry is exposed to risks related to its reputation and brand.

ÅF Pöry is dependent on its reputation and brand to secure project and consulting assignments and to successfully and effectively carry out marketing, sales, recruitment and acquisition strategies. ÅF Pöry's reputation and brand perception depend, among other things, on the quality, security and reliability of its services. ÅF Pöry must be proactive and maintain its reputation and brand in contacts with a number of different stakeholders, including subcontractors, subconsultants, partners, clients, employees, public authorities, students, universities and colleges, as well as employee organisations. The risk of exposure to adverse publicity and negative expressions of opinion has increased as ÅF Pöry has enhanced its position within the energy sector and public sector. The risk of a weakened reputation as a consequence of adverse publicity about ÅF Pöry's business (irrespective of whether it is true or false) may thus lead to loss of clients and reduced revenues.

In recent times, there has been increased focus on environmental and climate issues, in both the media and from politicians. Adverse environmental impact as a consequence of ÅF Pöry's operations may arise primarily within the context of business travel and energy consumption in offices, in conjunction with purchasing, and within the scope of project execution. Adverse publicity related to ÅF Pöry's impact on the environment and climate may damage the Company's reputation. In addition, any negative events, adverse publicity or non-fulfilment of expectations may damage ÅF Pöry's reputation, even if ÅF Pöry is not directly involved and such events or such publicity relate to its executives, subconsultants, subcontractors or other partners. Such negative publicity may, for example, arise in relation to ÅF Pöry's projects within nuclear, hydro and mining, where interest organisations conduct active opinion. Finally, adverse publicity regarding violations of laws or regulations and failure to perform contractual undertakings or meet deadlines may damage ÅF Pöry's reputation and brand, and thereby reduce the confidence that clients and other stakeholders have in ÅF Pöry. These and other risks related to ÅF Pöry's reputation and adverse publicity may have a material adverse effect on its business, results of operations and financial position.

ÅF Pöry is exposed to risks related to intellectual property rights.

ÅF Pöry holds a limited number of trademarks and other intellectual property rights and may come to acquire and/or develop services and technical solutions which can be patented, registered or otherwise protected. There is a risk that ÅF Pöry will be unable to adequately maintain protection for its intellectual property rights. An inability to adequately protect intellectual property rights may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

ÅF Pöry also uses know-how that is not protected by intellectual property rights. There is a risk that confidentiality undertakings by employees, subcontractors, subconsultants and partners, as well as other measures taken to maintain control

over such information, will be insufficient to prevent disclosure of sensitive information. If ÅF Pöry is unable to protect important information and know-how, this may have a material adverse effect on its business, results of operations and financial position.

Finally, ÅF Pöry may be adversely affected by proceedings or claims concerning intellectual property rights. The commencement of legal proceedings or claims, ÅF Pöry's inability to advantageously resolve or settle such proceedings or claims, or negative outcomes in connection with such proceedings or claims, may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

ÅF Pöry is exposed to insurance-related risks

ÅF Pöry is dependent on being able to maintain adequate insurance coverage at a reasonable cost. There is a risk that the scope of ÅF Pöry's insurance coverage, for example relating to product and consulting liability, is insufficient to cover all risks that may arise within the scope of the Company's operations. There are also certain types of losses that are not covered by ÅF Pöry's insurance coverage, either because they are not deemed insurable or because they are excluded from applicable insurance contracts. These may include losses caused by war or terrorism or liability insurance claims or private claims where the insured event has occurred intentionally or through gross negligence or criminal activity. In addition, it is not possible to insure against damage to reputation. Moreover, most of ÅF Pöry's insurance contracts contain limits with respect to the maximum indemnification amount. There is thus a risk that a claim on compensation under ÅF Pöry's insurance contract cannot be met in full or on time, that the scope of the insurance coverage will not be comprehensive in a particular respect, or that the insurance premium will be raised appreciably. As a consequence of the acquisition of Pöry, the Company will need to renegotiate its insurance coverage to provide adequate coverage for the joint company's operations. There is a risk that such renegotiation will result in less favourable insurance terms or increased insurance premiums or risks regarding excess. If ÅF Pöry incurs damage or loss which is not covered by insurance, or which is more extensive than the insurance coverage, or if ÅF Pöry is required to pay an increased insurance premium, this may have a material adverse effect on ÅF Pöry's business, results of operations and financial position.

Violations of laws, regulations and standards may lead to significant fines and other sanctions as well as reputational damage.

ÅF Pöry is dependent on compliance with laws and regulations by the Company and its employees, subcontractors, consultants and partners. Improper or fraudulent behaviour or violations of, or deficient compliance with, laws and regulations may adversely affect ÅF Pöry's business and reputation. Such behaviour may, for example, include failure to comply with laws and rules relating to public procurement, competition law, protection of classified information, rules prohibiting bribery and other types of corruption, rules which affect the pricing of labour and other costs in governmental contracts, rules governing lobbying activities, rules with respect to the internal control over the financial reporting, environmental law rules, and other applicable laws and regulations. Improper behaviour, violations of, or non-compliance with, applicable laws and regulations may lead to administrative, civil law and/or criminal consequences and sanctions and may have a material adverse effect on ÅF Pöry's reputation, business, results of operations and financial position.

ÅF Pöry's possibility to secure certain assignments is also affected by its ability to procure certain certificates and to comply with rules and standards on the markets on which the Company operates. These include, for example, certification in accordance with ISO 9001:2015 (Quality management systems), ISO 14001:2015 (Environmental management systems) and ISO 45001:2018 (Occupational Health & Safety Management). ÅF Pöry must also allocate resources for procuring and retaining the certificates and for compliance with other rules and standards and, since such may change from time to time, ÅF Pöry is unable to foresee future costs for compliance therewith. Should ÅF Pöry be unable to procure or retain such certificates, this may have a material adverse effect on its reputation, business, results of operations and financial position.

ÅF Pöry is exposed to risks related to legal and administrative proceedings.

From time to time, ÅF Pöry is involved in civil law, work environment-related and administrative proceedings which may arise in the context of its day-to-day business. Disputes may arise, for example, if ÅF Pöry disagrees with a client about the conditions that pertain to a certain assignment. Disputes may also arise, for example, in conjunction with the acquisition of operations.

In 2015, Danir initiated arbitration proceedings against ÅF, claiming an additional contingent consideration with respect to ÅF's acquisition of Epsilon Holding AB from Danir in 2012. Danir's primary claim amounts to approximately SEK 996 million plus interest, which corresponds to the difference between the amount that ÅF paid as a supplemental purchase price and the amount which Danir believes the supplemental purchase price would have been if ÅF had conducted the business in the manner which Danir believes that ÅF and Danir had agreed upon. Secondly, Danir has presented a claim for approximately SEK 152 million plus interest, based on the allegation that, according to Danir, when calculating Epsilon's EBIT for 2012, ÅF – in violation of the agreement – (i) took into account certain cost items; and (ii) failed to make a correction for costs and revenue shortfall in 2012 resulting from the merger. A final hearing in the arbitration was held during the period 4–25 February 2019. The arbitral tribunal has not yet announced when it intends to issue its award. ÅF has made provisions of SEK 44 million as a consequence of the dispute.

Furthermore, certain Pöry group companies are involved in several proceedings initiated in relation to Sino-Forest Corporation ("SFC") in several jurisdictions. Currently, only one proceeding, in Singapore, is moving forward (the "**Singapore Action**"). One other proceeding has been inactive for years, and the remaining proceedings have been stayed on consent of the parties pending the determination of the Singapore Action. The plaintiff in the Singapore Action claims that a Pöry group company's alleged breach of contract and negligence delayed the discovery of an alleged fraud carried out by SFC's former CEO, and certain members of SFC's senior management, which allegedly caused SFC loss. The plaintiff claims damages of approximately USD 593 million, plus claimed interest and costs. A trial in the Singapore Action has been scheduled to take place in Singapore between 7 August and 3 October 2019.

In addition, several proceedings have been initiated in Peru against a consortium, to which Pöry Switzerland Ltd. was a party, concerning certain aspects of the site supervision services provided by the Consortium to a public sector client. The claims in the proceedings, which were initiated in 2013, totals approximately USD 54 million. It may take several years prior to conclusion of the proceedings.

Pöyry is also subject to multiple ongoing labour claims in Latin America, some from former employees, some from freelancers and some from service providers' employees. Some claims are far from being resolved (more than two years), whereas others are close to a final decision (expected during 2019). Some cases are classified as a "probable" risk for the claimants being successful, whereas others are classified as "possible".

It is not possible to predict the potential for, or the ultimate outcomes of, any proceedings, disputes and matters, some of which may be unfavourable to the Company. In such cases, ÅF Pöyry may incur costs and any mitigating measures (including provisions taken on the balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. The Company may need to incur significant costs in relation to legal proceedings, irrespective of their outcome. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm ÅF Pöyry's reputation and brand, which could have a material adverse effect on its business, results of operations and financial position.

ÅF Pöyry is exposed to competition law risks.

From time to time, ÅF Pöyry may be the subject of competition law examinations and/or investigations. Any future adverse decisions in competition law proceedings may result in administrative fines and liability in damages, which may be of a considerable amount. In addition, adverse decisions in future competition law disputes or proceedings may damage ÅF Pöyry's reputation, and its possibilities to conduct and expand its business may be restricted. Such events may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to compliance with GDPR.

In its operations, ÅF Pöyry processes personal data regarding, among others, its employees, partners and clients. Such processing of personal data is subject to extensive data protection laws and regulations which have been adopted to protect the privacy of the individual, which also affects demands as to how the Company's operations are conducted. On 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the General Data Protection Regulation – "GDPR") entered into force within the EU. GDPR imposes changes to the EU's previous data protection regime and strengthens the rights of individuals, imposes stricter demands on companies that process personal data, as well as much stricter sanctions with administrative fines of up to the highest of EUR 20 million or 4 per cent of the company's annual global turnover. ÅF Pöyry has been required to allocate resources for compliance with GDPR and other legislation governing the processing of personal data and may, in the future, incur additional expenditures and costs for establishing systems, IT controls and routines to support the work of compliance with applicable data protection legislation. The implementation of GDPR has also attracted significant attention from legislators, the media and investors and, for example, the Swedish Data Protection Authority (Sw. *Datainspektionen*) has become more active in its supervision. Violations of GDPR or other data protection legislation may result in ÅF Pöyry being required to pay damages to third parties and significant fines and may otherwise damage ÅF Pöyry's reputation, which may

have a material adverse effect on its business, results of operations and financial condition.

ÅF Pöyry may be adversely affected by strikes and labour unrest.

In the Swedish and Finnish parts of ÅF Pöyry's business, a majority of the employees are covered by collective agreements. Collective agreements for ÅF Pöyry's employees in Sweden and Finland are renegotiated from time to time and, for example, the Association of Swedish Engineering Industries' (Sw. *Teknikarbetsgivarna*) collective agreement with the Swedish Association of Graduate Engineers (Sw. *Sveriges Ingenjörer*) and Unionen (a Swedish white-collar trade union) expires on 31 March 2020. Should such negotiations be discontinued or if an agreement is not reached, this may affect ÅF Pöyry's operations and have a material adverse effect on its business, results of operations and financial position. Through the combination with Pöyry and the anticipated related synergies, certain administrative and other employments are expected to cease, which may lead to redundancy. Redundancy not concluded in good order and in consensus with employee organisations may lead to ÅF Pöyry's reputation being damaged, and that its relationship with employee organisations deteriorates. Terminations in violation of law and collective agreements may also lead to liability for damages.

Furthermore, within its own business or within the business of subcontractors, subconsultants or partners, ÅF Pöyry may experience strikes or other labour unrest, which may create disruptions and delays in the operations. Strikes and labour unrest may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to its pension commitments.

Some of ÅF Pöyry's employees have pension benefits that are reported as benefit-defined. For white-collar staff in Sweden, the ITP 2 occupational pension plan's defined-benefit pension obligation for retirement and survivor pensions is secured through insurance with Alecta. In addition, a liability is reported in the balance sheet for benefit-defined pension benefits, which, as of 31 December 2018 amounted to SEK 141 million. There are three main risk categories relating to benefit-defined pension plans. The first category comprises risks that affect pension payments. Increased longevity as well as salary and pension inflation are the primary risk factors which may increase future payments that are required to be made under the benefit-defined pension plans, and thereby also increase the pension undertaking. The second category relates to return. A low return on the investments may reduce the value of pension assets, with the consequence that they are insufficient to cover future pension payments. The final risk category concerns calculation of the pension liability in the accounts. The discount rate which is used to calculate the present value of pension commitments may vary, which affects the valuation of the benefit-defined commitment. The discount rate also affects the size of interest income and expenses that are reported as financial items.

A lower return on pension assets, changes on the market, interest rate fluctuations, changes to inflation and adverse changes in other significant actuarial assumptions may adversely affect ÅF Pöyry's pension assets, which may have a material adverse effect on its business, results of operations and financial position.

ÅF Pöyry is exposed to risks related to internal governance documents, policies, routines, processes and evaluation methods.

There is a risk that ÅF Pöyry's internal governing documents, policies, routines, processes and evaluation methods, which are used to assess and manage risks, do not effectively address all types of risks, including such risks as ÅF Pöyry has been unable to identify or anticipate. There is a risk that ÅF Pöyry's operations are not conducted in accordance with internal governing documents, including codes of conduct, or that ÅF Pöyry fails to correctly quantify identified risks. If ÅF Pöyry is unable to successfully implement and comply with effective internal governing documents, policies, routines, processes and evaluation methods in order to assess and manage risks, or if ÅF Pöyry's employees, subcontractors, subconsultants, partners or clients fail to comply with prevailing legislation as well as internal and external policies relating to, among other things, public procurement, data protection, work environment issues, business ethics, climate impact, anti-corruption, export controls and trade sanctions, human rights, IT security, information management, equality of treatment and conduct, or act in a manner that is not compliant with the level of business ethics and privacy that ÅF Pöyry has undertaken, this may have a material adverse effect on ÅF Pöyry's reputation, business, results of operations and financial position.

Effective internal governance and control are necessary to enable ÅF Pöyry to provide reliable financial reports and to ensure compliance with internal and external rules. There is a risk that ÅF Pöyry, in its corporate governance and in its internal controls (irrespective of which corporate governance policies and routines that apply from time to time), will be unable to effectively manage corporate functions and internal risks or identify areas in need of improvement. Furthermore, ÅF Pöyry's financial and operating policies and controls may prove to be inadequate, which may result in non-compliance with ÅF Pöyry's internal governing documents and thereby cause ÅF Pöyry to incur costs in respect of shortcomings in regulatory compliance, fines, as well as reputational damage. If ÅF Pöyry fails to maintain a reliable internal governance and control, this may have a material adverse effect on ÅF Pöyry's reputation, business, results of operations and financial position.

ÅF Pöyry is exposed to tax risks.

ÅF Pöyry operates through subsidiaries in approximately 50 countries. The business, including transactions between group companies, is conducted in accordance with ÅF Pöyry's understanding and interpretation of applicable tax legislation, tax treaties and other tax law provisions, and in accordance with ÅF Pöyry's view and interpretation of the requirements imposed by relevant tax authorities. There is, however, a risk that ÅF Pöyry's view and interpretation of the aforementioned laws, double taxation treaties and other provisions is not correct in all respects. There is also a risk that the tax authorities in relevant countries may make assessments and take decisions which differ from ÅF Pöyry's understanding and interpretation of the above-mentioned laws, tax treaties and other provisions. ÅF Pöyry's tax status in respect of previous years and the current year may change as a consequence of decisions taken by relevant tax authorities or due to changed laws, tax treaties or other provisions. Such decisions or changes, which may apply retroactively, may have a material adverse effect on ÅF Pöyry's business, results of operations and financial position.

In connection with ÅF's acquisition of Pöyry, a risk was identified that a tax losses carried forward by Pöyry's German subsid-

iary, Pöyry Deutschland GmbH, might be lost as a consequence of the acquisition. Based on preliminary tax calculations, the tax loss carried forward amounted to approximately EUR 66.5 million as of 31 December 2018. An analysis of the aforementioned losses is currently taking place, and there is thus a risk that ÅF Pöyry will not be able to maintain parts of them. The deferred tax asset attributable to the losses carried forward and that has been capitalised totals EUR 5.8 million.

ÅF Pöyry is exposed to liquidity and financing risks.

The Group's financing risk comprises the risk that ÅF Pöyry is unable to raise new, or refinance, existing loans and credit facilities on acceptable terms. The Group is also exposed to a liquidity risk, which is defined as the risk of being unable to meet payment obligations as they fall due.

There is a risk that the Group will be unable to repay debts as they fall due, which may be due to an inability to generate sufficient cash flow from operating activities, or to secure additional capital or financing through new loans. The ability to secure capital or financing through loans on favourable terms depends on several factors which are beyond the Group's control, including conditions prevailing on the international credit and capital markets at the time. The Group's ability to sell assets (insofar as this is permitted by loan agreement terms) and use the revenues to repay debts which are about to fall due also depends on several factors beyond the Group's control, including the existence of willing buyers and the asset values. There is a risk that the Group is unable to secure capital or to refinance debts on equally favourable terms as for the original loan, or to sell assets at a price which is sufficiently high to repay the relevant debt at the time when the respective debt falls due. Should the Group fail to refinance its existing or future debts, renew existing or secure future credit facilities on acceptable terms or to perform existing financial obligations, this may have a material adverse effect on the Group's liquidity, results of operations and financial position.

ÅF Pöyry is exposed to risks related to currency rate and exchange rate fluctuations.

Currency risk refers to the risk that changes in exchange rates against the Group's reporting currency have an adverse effect on the Group's income statement, balance sheet and cash flows. Currency risk includes future commercial transactions, reported assets and liabilities in foreign currencies as well as net investments in foreign operations. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure comprises the net of operating and financial inflows and outflows of currencies. Translation exposure comprises the net assets of foreign subsidiaries and earnings in foreign currencies.

Exchange rate changes affect ÅF Pöyry's results of operations and financial position in, among others, the following ways:

- Results of operations are affected when revenues from sales and costs for goods and services are in currencies other than the reporting currency.
- Results of operations or equity are affected when the results, assets or liabilities of the Group's foreign subsidiaries are translated to the reporting currency.
- There is a risk that results of operations are affected by impairment tests with respect to non-hedged future cash flows in foreign currency in loss-making contracts.

The Group generates revenues and costs in foreign currency, including EUR, USD and CHF, and is thus exposed to exchange rate changes compared to the Group's reporting currency, SEK.

In addition, the Group has certain debts denominated in foreign currency, which means further exposure to exchange rate fluctuations. Through the acquisition of Pöyry (which has EUR as its reporting currency), the Group's exposure to exchange rate fluctuations has increased. Based on the conditions prevailing in 2018, an isolated strengthening of the SEK exchange rate by 5 per cent in respect of earnings denominated in a currency other than SEK would have adversely affected ÅF's annual results by SEK 12.4 million. Accordingly, the Group has significant exposure to exchange rate fluctuations relative to SEK and relative changes in exchange rates have a direct effect on the Group's operating profit, balance sheet and cash flows.

The Group is also exposed to risks where suitable hedging items for this type of risk exposure to which the Group is exposed are not available at a reasonable cost or at all. In addition, there are risks related to the use of such hedge instruments, for example, that the Group has not the possibility to utilise favourable currency swaps. Therefore, hedging measures can lead to large losses. These losses may arise for various reasons, such as the failure of a counterparty to perform its obligations under an appropriate hedge contract, where the contract has shortcomings, or where the Group's internal hedging policies and procedures are not complied with or do not function as they should.

ÅF Pöyry is exposed to interest rate risks.

Interest rate risk refers to the risk of the Group's net interest income/expense and cash flow being adversely affected by changes in interest rate levels. The Group is exposed to interest rate risks when the market value of certain items in the balance sheet are affected by changes in underlying interest rates. Interest rate exposure arises primarily from outstanding external loans, and the Group has both interest-bearing assets and interest-bearing liabilities, some with variable rates. The Group's financing costs are thus affected by changes in the market rate and such changes may have an adverse effect on the Group's result of operations and financial position. Based on the conditions prevailing in 2018, a change of +/- 1 per cent in the annual average rate would have affected ÅF's interest expenses by SEK +/- 21 million.

ÅF Pöyry is exposed to credit risks and counterparty risks.

ÅF Pöyry's commercial and financial transactions give rise to credit risks vis-à-vis the Group's counterparties. Credit risk or counterparty risk refers to the risk of loss in the event a counterparty fails to perform its obligations. Credit risk arises from cash and equivalents in transactions with banks, as well as credit exposure to clients, including accounts receivables and unvoiced consulting assignments. These risks may lead to credit losses for ÅF Pöyry if, for example, one of the Group's clients is unable to perform its obligations. The preponderant financial risk for the Group lies in the credit risk in outstanding accounts receivables. As of 31 December 2018, ÅF's due and payable accounts receivables amounted to SEK 660 million. The risk for credit losses is expected to increase as ÅF Pöyry is expanding its international operations. There is a risk that the measures taken to offset the Group's credit risk will be not be sufficient or effective, and the Group may fail to implement and manage any hedging arrangements, which may have a material adverse effect on its results of operations and financial position.

The Group's indebtedness may adversely affect its financial position and ability to withstand an unfavourable trend.

As of 31 December 2018, ÅF's net indebtedness amounted to SEK 3,455 million. The Group's indebtedness may, among other things, have the following adverse consequences for the Group's business:

- make it difficult for the Group to perform its obligations with respect to outstanding bond loans, Medium Term Notes, credit facilities and other indebtedness;
- increase the Group's vulnerability to, and reduce the Group's flexibility for addressing, general economic and industry-related conditions;
- require that part of the Group's cash flow from the operating activities are allocated to pay interest and repay principal on the Group's debts, which may lead to less cash flow for other purposes;
- restrict the Group's ability to secure additional financing to finance working capital, capital expenditures, acquisitions, maturing debts, commercial operations and other general corporate purposes;
- limit the Group's flexibility in terms of planning for, or reacting to, changes in the Group's business, competition and the industry in which the Group operates; and
- adversely affect the Group's competitiveness in the event the indebtedness exceeds that of its competitors.

In addition, some of the Group's debts carry variable interest which is linked to variable market rates. An increase in the market rates thus results in increased interest expenses and indebtedness for the Group, which may exacerbate risks related to the Group's capital structure. These and other consequences and events may have a material adverse effect on the Group's business, results of operations and financial position.

Financial covenants in the Group's financing agreements may restrict the Group's operations and financial flexibility.

The Group's syndicated Revolving Credit Facility Agreement 2014 and Revolving Credit Facility Agreement 2017 include certain restrictive conditions with respect to, for example, further loans, restrictions on acquisitions as well as divestments and pledging of assets. These credit agreements also include financial covenants, according to which ÅF Pöyry is required to maintain certain financial key performance indicators during the term of the agreements. The Group is measured on net indebtedness/operating profit (EBITDA), debt/equity ratio and interest coverage ratio. Any non-fulfilment of the financial covenants and failure to rectify such breaches within a certain period of time (if there is such a possibility), or if lenders refuse to grant waivers from the covenants, may result in loans being called in pursuant to the credit facility terms.

If the Group breaches such financial covenants, outstanding amounts payable under such financing agreements become immediately due and payable. This, in turn, may have the consequence that outstanding amounts under other financing agreements will also become immediately due and payable (referred to as cross-default). All of the aforesaid may have a material adverse effect on the Group's business, results of operations and financial position.

The Group's actual results may differ significantly from its financial targets and forecast.

The Group has adopted certain long-term financial targets. These financial targets constitute forward-looking information.

There is a risk that the Group's actual results or financial position may differ significantly from such information. The financial targets are merely targets and do not constitute, and must not be regarded as constituting, forecasts, projections or estimates of future performance. The Group has also announced a forecast for ÅF for the first quarter 2019. The Group's actual results for the first quarter 2019 may differ significantly from the forecast.

Furthermore, the financial targets and the forecast are dependent on a number of key assumptions that the Group Management has made when setting them, which are subject to significant commercial and operational-related, financial and other risks, many of which are beyond the Group's control. There is a risk that these assumptions will not continue to reflect the commercial and economic environment in which the Group operates. Accordingly, these assumptions may change or not materialise at all. In addition, unanticipated events, including macroeconomic and industry-related developments or legislative changes may negatively affect the actual results that the Group achieves going forward, irrespective of whether the Group's assumptions otherwise prove to be correct. Potential investors should not put undue weight on the financial targets or the forecast when making an investment decision. If the Group fails to meet its financial targets or its forecast due to changed assumptions or other factors, the Group may experience lower earnings, decreased margins or reduced cash flow, which may adversely affect the Group's financial position and profitability. In turn, the Group may be unable to access suitable financing or pursue attractive business opportunities, which may limit the Group's ability to maintain its market position or competitiveness. This may have a material adverse effect on the Group's business, results of operations and financial position.

Changed reporting standards may adversely affect the Group's financial statements.

The Group is affected by the reporting standards that apply in the jurisdictions in which it operates, such as the International Financial Reporting Standards ("IFRS"), in accordance with which the Group prepares its consolidated financial statements. However, going forward, the Group's reporting, financial statements and internal controls may be affected by, and may need to be adapted to, changed reporting standards or changes in the application and interpretation of such reporting standards.

The Group applies IFRS 16 (Leasing) as from 1 January 2019. IFRS 16 introduces a uniform lease accounting model for lessees, with the previous classification into operating and financial leases being replaced by model in which assets and liabilities for all leases are to be reported in the balance sheet. The Group estimates that it will recognise additional lease liabilities of approximately SEK 2.5 billion (after adjustment for prepayment of leases recognised on 31 December 2018), as well as right of use assets of approximately SEK 2.5 billion in the balance sheet. The application of the new reporting standards will thus entail an increased balance sheet total, which will adversely affect the Group's net indebtedness and certain key performance indicators. These and other changed reporting standards, or changes in the application and interpretation thereof, may lead to uncertainty relating to the Group's reporting, financial statements and internal controls and may affect the Group's reported revenues, balance sheet and equity, which may have a material adverse effect on the Group's results of operations and financial position.

The preparation of the financial statements in accordance with IFRS requires the Group Management and the Board of Directors to make estimations, assessments and assumptions that affect the application of the accounting policies and the reported assets, liabilities, income and expenses. However, the actual outcome may differ from these estimates and assess-

ments. The IFRS standards are subject to regular updates by the International Accounting Standards Board ("IASB") and endorsements by the EU. Such updates or endorsements may require the Group to make further and more comprehensive estimations and assessments in relation to its financial reporting.

Goodwill impairment may adversely affect ÅF Pöyry's results of operations and financial position.

The Group's intangible assets arise primarily from acquired businesses. These acquired intangible assets largely consist of goodwill, since the main value of consulting companies lies in their human capital, the expertise of their employees. As of 31 December 2018, goodwill accounted for 51 per cent of ÅF's balance sheet items. The percentage of goodwill will increase further as a consequence of the acquisition of Pöyry. If the Company's valuation of Pöyry or other acquired businesses should prove to be incorrect, ÅF Pöyry will need to take a goodwill impairment charge, which may have a material adverse effect on ÅF Pöyry's financial position and results of operations.

Impairment tests on goodwill are carried out annually, in the fourth quarter, or when there are indications that an impairment need has arisen, by discounting the anticipated future cash flow by a weighted average cost of capital. The present value of the cash flows, the value in use, is compared with the carrying amount including goodwill and other intangible assets. Accordingly, on each reporting occasion, a test is carried out as to whether there are indications that the value of the asset has declined. If such is the case, the recovery value of the asset is calculated. A declining growth rate and operating margin may give rise to a lower recovery value. The opposite applies if the calculation of the recovery value is based on a higher growth rate or margin. In the event discounting of future cash flows is carried out applying a higher rate of interest, the recovery value will be lower. Conversely, the recovery value will rise when discounting applying a lower discount rate. In the event future tests regarding a permanent reduction in the goodwill value were to lead to an impairment charge, this may have a material adverse effect on ÅF Pöyry's results of operations and financial position.

Risks associated with the share and the rights issue

The share price can be volatile and the share price development is affected by several factors.

Risk and risk taking is inevitably linked to shareholding. Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The ÅF Pöyry's shares of class B are listed on Nasdaq Stockholm. The performance of a share depends on multiple factors, some of which are specific to the Company whilst others are related to the stock market in general. The share price may be very volatile and may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, changes in general economic conditions, changes in regulatory conditions and other factors such as sales of significant holdings by owners. The price of the Company's share may furthermore be affected by, for example, competitors' activities and market positions. ÅF Pöyry cannot predict in what way investors' interest for ÅF Pöyry will develop, and whether or not there will always be an active and liquid market for trading the Company's shares. Since it is impossible for a single company to control all factors which may affect the share price, every investment decision should be preceded by careful analysis.

Trading in subscription rights and paid subscription shares (BTA) may be limited.

Persons who are registered as shareholders in ÅF Pöry on the record date receive subscription rights in proportion to their existing shareholdings. The subscription rights are expected to have an economic value that can only benefit the holder if he or she either exercises them to subscribe for new shares no later than 12 April 2019 or sells them no later than 10 April 2019. After 12 April 2019, unexercised subscription rights will be removed, without prior notification, from the holder's securities account and the holder will thus be deprived of the expected economic value of the subscription rights. Both subscription rights of and paid and subscribed shares (Sw. *betalda tecknade aktier* – "BTAs") which, after payment, are booked into the securities accounts of those who subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading volumes in these instruments may be limited, which may cause problems to individual holders in selling their subscription rights and/or BTA. Limited liquidity could also enhance fluctuations in the market price of subscription rights and/or BTA. Consequently, pricing of these instruments could be incorrect or misleading.

Shareholders who do not participate in the issue of new shares are affected by dilution.

The subscription rights will expire and become useless without entitlement to compensation for the shareholder if the shareholder chooses not to exercise or sell its subscription rights in the rights issue as set out in this prospectus. Consequently, such shareholders' proportional ownership and voting rights in ÅF Pöry will decrease and the proportion of their shares representing the total number of shares and the total number of the votes in the Company will decrease accordingly. There is a risk that the compensation the shareholder receives for the subscription rights on the market does not correspond to the economic dilution of the shareholder's ownership in ÅF Pöry following the rights issue, if a shareholder chooses to sell his or her unutilised subscription rights or if these subscription rights are sold on behalf of the shareholder.

The subscription commitments are not secured.

ÅForsk Foundation ("ÅForsk"), Handelsbanken Fonder, Corbis S.A. ("Corbis"), the Fourth Swedish National Pension Fund, EQT, Procurator-Holding Oy ("Procurator"), Mariatorp Oy ("Mariatorp") and Wipunen Varainhallinta Oy ("Wipunen") have undertaken to exercise their preferential rights and thereby subscribe for new shares corresponding to in aggregate 32.2 per cent of the forthcoming rights issue. The subscription commitments are not secured through, for example, bank guarantees. Consequently, there is a risk that one or several of said parties will not be able to fulfil their subscription commitments. If the aforementioned commitments are not fulfilled, it could have an adverse effect on ÅF Pöry's possibility to successfully implement the rights issue.

Future sales of major shareholdings and share issues could have an adverse effect on the share price.

Substantial sales of shares by major shareholders could have an adverse effect on the Company's share price. Moreover, any additional new issues of shares that – as the forthcoming rights issue – will lead to a dilution of ownership for shareholders who do not participate or choose not to exercise their right to sub-

scribe for shares. The same applies if issues are directed to other persons than the shareholders of the Company.

The Company's largest shareholder can exert a substantial influence over ÅF Pöry.

ÅF Pöry's largest shareholder, ÅForsk, holds shares equivalent to approximately 10.8 per cent of the share capital and 33.6 per cent of the votes in the Company. ÅForsk can thus, both before and after the rights issue, exert a substantial influence over ÅF Pöry in matters that are subject to the approval of the shareholders. This concentration of ownership could prove to be disadvantageous for shareholders with other interests than those of ÅForsk. As a consequence of ÅForsk's subscription commitment in connection with the forthcoming rights issue, ÅForsk's ownership percentage could, if ÅForsk would be the only party to participate in the rights issue, increase to a maximum of approximately 14.0 per cent of the shares and a maximum of approximately 40.3 per cent of the votes in the Company and the influence in matters that are subject to approval of the shareholders can thus be further magnified.

ÅF Pöry's ability to pay future dividends depends on several factors.

Payment of dividends may only take place if there are payable funds held by ÅF Pöry and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on ÅF Pöry's equity, consolidation needs, liquidity and position in general for a certain financial year. Furthermore does future dividends, and the size of any such dividends, depend on the Group's future results, financial position, cash flow, working capital requirements and other factors.

The newly issued shares confer the right to dividends from, and including, the first record date after the new issue has been registered with the Swedish Companies Registration Office. There is a risk that payable dividends will not be available in any financial year.

Shareholders in the United States and other foreign jurisdictions are subject to special share-related risks.

ÅF Pöry's share is only listed in SEK, and any dividends will be paid in SEK. This means that shareholders outside of Sweden may experience a negative impact on the value of their holdings and dividends at conversion to other currencies if SEK declines in value against the relevant currency.

If ÅF Pöry issues new shares with preferential rights for the Company's shareholders in the future, shareholders in some countries may be subject to restrictions which mean that they are unable to participate in such new issues or that their participation is otherwise prevented or limited. For example, shareholders in the United States may be prevented from exercising any such preferential rights if the shares are not registered under the Securities Act and if no exemption from the registration requirement under the Securities Act applies. Shareholders in other jurisdictions outside of Sweden may also be correspondingly affected. In the case of any future issues, ÅF Pöry is not obliged to apply for registration under the Securities Act or to apply for similar approval under the legislation of any country outside of Sweden concerning subscription rights and shares, and it may prove impractical or costly to do so. To the extent that shareholders in jurisdictions other than Sweden are unable to subscribe for new shares in any new share issues, their proportional ownership in ÅF Pöry will decrease.

Invitation to subscribe for shares in ÅF Pöyry AB

The Board of Directors of ÅF Pöyry resolved on 20 March 2019, in accordance with the Extraordinary General Meeting's authorisation on 16 January 2019, to increase the Company's share capital through the issue of shares of class A and B with preferential rights for ÅF Pöyry's shareholders to subscribe for the new shares.

The rights issue resolution entails that the Company's share capital will increase by not more than SEK 70,130,322.50 from the current SEK 210,390,967.50 to not more than SEK 280,521,290, through the issuance of not more than 28,052,129 new shares, of which not more than 1,072,584 shares of class A and not more than 26,979,545 shares of class B. After the rights issue, the number of shares in ÅF Pöyry will amount to not more than 112,208,516 shares, of which not more than 4,290,336 shares of class A and not more than 107,918,180 shares of class B. The Company's shareholders have preferential rights to subscribe for new shares in relation to the number of shares previously held. The record date for participation in the rights issue is on 27 March 2019.

Those registered on the record date as shareholders in ÅF Pöyry will receive one (1) subscription right for each share held on the record date, whereby three (3) subscription rights of each class entitle to subscription for one (1) new share of the corresponding class (primary preferential right). Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (the primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right. Any shares not subscribed for with primary or subsidiary preferential right shall be granted those who have applied for subscription for shares without preferential right as specified in "Terms and conditions". Subscription will take place during the period from and including 29 March 2019 up to and including 12 April 2019, or such later date as decided by the Board of Directors, and otherwise in accordance with what is set forth in "Terms and conditions".

The subscription price has been set at SEK 99 per share. Provided that the rights issue is fully subscribed, ÅF Pöyry will raise in total SEK 2,777 million before costs related to the rights issue.¹⁾

Shareholders who choose not to participate in the rights issue will have their holdings diluted by up to 25 per cent, but have the possibility to compensate themselves financially for the dilution by selling their subscription rights.

Subscription commitments²⁾

The shareholders ÅForsk, Handelsbanken Fonder, Corbis, the Fourth Swedish National Pension Fund, EQT, Procurator, Mariatorp and Wipunen, together holding 32.2 per cent of the shares and 49.5 per cent of the votes in the Company, have undertaken to subscribe for their respective pro rata shares of the rights issue. Altogether, said shareholders consequently have undertaken to subscribe for shares corresponding to 32.2 per cent of the rights issue.³⁾

The shareholders of ÅF Pöyry are hereby invited to subscribe for new shares in ÅF Pöyry with preferential rights in accordance with the terms and conditions of this prospectus.

Stockholm, 27 March 2019

ÅF Pöyry AB (publ)
The Board of Directors

1) Costs related to the rights issue estimated at approximately SEK 23.6 million will be deducted from the rights issue proceeds of not more than SEK 2,777 million. Net of costs related to the rights issue, ÅF Pöyry is estimated to raise not more than approximately SEK 2,753.4 million through the rights issue.

2) See also "Subscription commitments, etc." in "Legal considerations and supplementary information".

3) The subscription commitments are not secured, see "The subscription commitments are not secured" in "Risk factors".

Background and reasons

On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry for an offer price of EUR 10.20 per share, corresponding to a total value of EUR 611 million. The acquisition closed on 21 February 2019 following that approvals from the relevant competition authorities had been received and all other conditions in the public offer had been fulfilled. After the acquisition, the Company has adopted the name ÅF Pöyry. Through the combination, ÅF Pöyry is expected to create a robust platform to drive local and international growth within selected segments.

Pöyry is an international consulting and engineering company serving clients across power generation, transmission and distribution of electricity, forest industry, biorefining & chemicals, mining & metals, infrastructure and water & environment. In 2018, Pöyry's net sales amounted to EUR 579.5 million, and the company had, as of 31 December 2018, 4,846 FTEs in approximately 40 countries. ÅF Pöyry is expected to be a competitive European and global player with strong growth potential. The Nordics, where 91 per cent of ÅF's net sales and 38 per cent of Pöyry's net sales were generated in 2018, respectively, will continue to be the most important market. Pöyry's focus areas in pulp and paper, forest industry and energy complement ÅF's current offering in segments such as automotive, advanced manufacturing and food and pharma. Digital solutions are important for both businesses and ÅF's strong capabilities in this area are expected to be important to further strengthen Pöyry's reputable management consulting business.

The combination of ÅF and Pöyry is expected to result in significant annual cost synergies of at least SEK 180 million, expected to be implemented in full by 2020, at the latest. In addition, there is also potential for revenue synergies. The acquisition is expected to be accretive to ÅF Pöyry's earnings per share adjusted for costs relating to the acquisition 2019 and accretive to ÅF Pöyry's earnings per share from 2020. Integration costs are estimated to correspond to approximately one year of cost synergies. The integration costs are expected to be incurred in 2019.

ÅF's public offer was partly financed through debt financing in form of bridge financing that is due within 12 months from the date when the debt financing agreement was entered into on 7 December 2018. As a result, it is ÅF Pöyry's assessment that its working capital is not sufficient for the present requirements during the next twelve months since ÅF, within 12 months from 7 December 2018, needs to repay bridge financing of approximately EUR 348 million, which during a transitional period finances the purchase price in the acquisition of Pöyry.¹⁾ In connection with the announcement of the public offer, ÅF announced its intention to carry out two share issues to finance the partial repayment of the debt financing for the public offer and thereby cover the working capital need; a directed share issue to certain former major shareholders in Pöyry, resolved on 21 February 2019, and the forthcoming rights issue to existing shareholders in ÅF Pöyry. The rights issue will raise not more than SEK 2,777 million before deduction of costs related to the rights issue, estimated at approximately SEK 23.6 million. The net proceeds from the rights issue will, in whole, be used to reduce ÅF Pöyry's indebtedness, as will the proceeds from the directed share issue of approximately SEK 1,210 million. The share issues are a part of reaching ÅF Pöyry's financial target of a net debt in relation to EBITDA of 2.5 over a business cycle.

The Board of Directors of ÅF Pöyry is responsible for the contents of this prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm, 27 March 2019

ÅF Pöyry AB (publ)

The Board of Directors

1) Please refer to "Working capital statement" in "Capitalisation, indebtedness and other financial information".

Terms and conditions

This section contains the terms and conditions for participation in the rights issue. For further information regarding the new shares issued, see “*Share capital and ownership structure*”.

Preferential right and subscription rights

Those who are registered as shareholders in ÅF Pöryr on the record date, 27 March 2019, will receive one (1) subscription right for each share held in ÅF Pöryr. The subscription rights entitle the holders, with primary preferential rights, to subscribe for new shares of the same class. Preferential rights apply, in accordance with ÅF Pöryr's Articles of Association, to owners of each class of shares in proportion to their existing shareholdings (primary preferential right). Shares that are not subscribed for by those shareholders entitled to subscribe pursuant to primary preferential right will be offered to all shareholders (subsidiary preferential right). If the number of shares offered in this manner is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed in relation to the number of exercised subscription rights and, to the extent that this is not possible, by drawing of lots. In addition, shareholders and the public will be invited to submit their interest in subscription for new shares without primary or subsidiary preferential rights.

Subscription rights

Each share of class A in ÅF Pöryr will entitle the holder to one (1) subscription right for subscription for class A shares. Three (3) subscription rights entitle to subscription for one (1) new share of class A in ÅF Pöryr. Each share of class B in ÅF Pöryr will entitle the holder to one (1) subscription right for subscription for shares of class B. Three (3) subscription rights entitle to subscription for one (1) new share of class B in ÅF Pöryr. In the event of sale of subscription rights, both the primary and the subsidiary preferential rights are transferred to the new holder of the subscription right.

Subscription on the basis of subsidiary preferential rights and without preferential rights

Application of interest to subscribe for new shares on the basis of subsidiary preferential rights and without preferential rights in the rights issue is done by using the application form “Subscription for shares with subsidiary preferential rights and without subscription rights”. For more information, see “*Subscription for new shares on the basis of subsidiary preferential rights and without preferential rights*” below.

Subscription price

The new shares are issued at a price of SEK 99 per new share. No commission will be charged.

Record date

The record date at Euroclear Sweden for determining who is entitled to receive subscription rights in the rights issue is 27 March 2019. The shares of class B in ÅF Pöryr will be traded excluding the right to receive subscription rights from and including 26 March 2019. The last day for trading in

shares including the right to receive subscription rights was 25 March 2019.

Trading in subscription rights

Trading in subscription rights for shares of class B in ÅF Pöryr takes place on Nasdaq Stockholm. Trading in subscription rights shall take place during the period from and including 29 March 2019 up to and including 10 April 2019 under the ticker AF TR B. Securities institutions with the required authorisation will provide brokerage services for the purchase and sale of subscription rights. Unexercised subscription rights must be sold in order not to lapse without value. The ISIN code for subscription rights of class B shares is SE0012455269. There will not be any organised trading in subscription rights for shares of class A.

Issue statement

Directly registered shareholders

Shareholders, who on the record date are registered in the share register kept by Euroclear Sweden on behalf of ÅF Pöryr will receive the pre-printed issue statement with an attached payment form (Sw. *bankgiroavi*). The pre-printed issue statement shows, *inter alia*, the number of subscription rights received and the total number of new shares that may be subscribed for with subscription rights. Those who are registered in the special register of pledge holders and trustees maintained in connection with the share register will not receive any issue statement but will be notified separately. No securities statement (Sw. *VP-avi*) will be sent out regarding the registration of subscription rights on the shareholders' securities accounts.

Nominee-registered holdings

Shareholders in ÅF Pöryr whose holdings on the record date are nominee-registered with a bank or other nominee will not receive a pre-printed issue statement from Euroclear Sweden. Subscription and payment for nominee-registered shareholders shall be made in accordance with instructions from the respective bank or nominee or, if the holding is registered with multiple nominees, from each one of these.

Shareholders resident in certain ineligible jurisdictions

Please note that due to restrictions imposed by securities legislation the offering is not aimed at investors who reside or have a registered address in the United States (except pursuant to an available exemption from the registration requirements of the Securities Act), Australia, Hong Kong, Canada, New Zealand, Singapore or other countries where participation would require additional prospectus, registration, or any other measures in addition to those required by Swedish law.

Consequently, shareholders whose shares are registered directly in the securities account (Sw. *VP-konto*) with registered addresses in the United States, Australia, Hong Kong, Canada, New Zealand, Singapore or any other jurisdiction where participation would require additional prospectuses, registration or other administrative authorisation will not receive this prospectus. Nor will they receive any subscription rights in their respec-

tive securities account. The subscription rights that otherwise would have been allocated to these shareholders will be sold and the proceeds of the sale, less costs, will be paid to such shareholders. Amounts of less than SEK 100 will, however, not be paid.

Banks or other nominees that hold shares for shareholders in ÅF Pöry whose holdings on the record date are nominee-registered are not allowed to send the prospectus or the pre-printed issue statement to shareholders with addresses, or who are located or resident in the United States, Australia, Hong Kong, Canada, New Zealand, Singapore or any other jurisdiction, in which participation would require additional prospectuses, registration or other regulatory approval, without advance approval from ÅF Pöry.

Subscription and payment of shares with subscription rights

Subscription for shares with subscription rights

Application for subscription for new shares by exercise of subscription rights is made through simultaneous cash payment during the period from and including 29 March 2019 up to and including 12 April 2019. Subscription rights not exercised prior to the expiration of the subscription period will become void and lapse without value. Unexercised subscription rights will be deregistered from the respective shareholder's securities accounts (Sw. *VP-konto*) without notification from Euroclear Sweden. In order for the value of the subscription rights not to be lost, the holder must either:

- exercise the received subscription rights and subscribe for new shares no later than 12 April 2019, which is the last day of the subscription period; or
- sell the received subscription rights that have not been exercised for subscription for new shares no later than 10 April 2019, which is the last day for trading in subscription rights for shares of class B on Nasdaq Stockholm.

The Board of Directors of ÅF Pöry reserves the right to extend the subscription period and the time for payment. Such extension, if any, will be announced by the Company no later than 12 April 2019. Subscription for new shares on the basis of subscription rights is irrevocable, and the shareholder cannot cancel or modify a subscription for new shares.

Shareholders with directly registered holdings resident in Sweden

Application for subscription for new shares on the basis of primary referential rights shall be made by simultaneous cash payment and is binding. Subscription and payment shall be made either by using the pre-printed bankgiro form or the appropriate application form with simultaneous payment during the period from and including 29 March 2019 up to and including 12 April 2019 according to one of the following options:

Bankgiro form: In the case that all subscription rights received on the record date that can be exercised for subscription for shares will be exercised, the pre-printed bankgiro form from Euroclear Sweden shall be used for subscription by means of payment. The special application form should therefore not be used. No additions or changes may be made to the pre-printed text on the bankgiro form.

Application form: In the case that subscription rights have been acquired or sold, or for some other reason a different number of subscription rights than stated on the pre-printed issue statement are being exercised to subscribe for shares, a special application form should be used for subscription by means of payment. Payment shall be made at the same time

as the application is made in accordance with the instructions on the application form. Such an application form is available from any branch office of Handelsbanken in Sweden or through Handelsbanken Capital Markets, Emission, e-mail: emission-savdelningen@handelsbanken.se. The pre-printed payment form should not be used.

Information to shareholders with directly-registered holdings resident abroad

Shareholders in ÅF Pöry who are resident outside of Sweden and who are not subject to the restrictions described in "*Shareholders resident in certain ineligible jurisdictions*" and who wish to participate in the issue shall use the distributed application form when subscribing. Upon submission of the application form to the following address, payment shall be made in SEK to the bank account specified below. Please note that shareholders with directly-registered holdings who are resident abroad and have access to a Swedish internet bank may use the pre-printed bankgiro form for subscription and payment.

Handelsbanken Capital Markets, Emission
SE 106 70 Stockholm, Sweden
Bank account: 6028 211 988 138
IBAN-number: SE77 6000 0000 0002 1198 8138
SWIFT: HANDSESS

Upon payment, the subscriber must provide name and address, along with the subscriber's securities account number or payment ID number as stated in the issue statement. The application form and payment must be received by Handelsbanken Capital Markets no later than 12 April 2019. Application forms for shareholders resident abroad can be obtained from Handelsbanken's website www.handelsbanken.se/investeringserbjudande as well as from ÅF Pöry's website, www.afconsult.com.

By sending in the application form and completing payment, or by approving delivery of the subscription rights or the new shares, each such subscriber is deemed to have declared, ensured and given consent that the subscriber is not, and will not be at the time when the subscriber receives or exercises the subscription right or the new shares, located or resident in the United States, Australia, Hong Kong, Canada, New Zealand, Singapore or any other jurisdiction in which participation requires an additional prospectus, registration or other administrative approval, and that the subscriber is not acting on a non-discretionary basis on behalf of, or to the benefit of, any such person.

Shareholders with nominee-registered holdings

Shareholders in ÅF Pöry whose holdings are nominee-registered with a bank or other nominee on the record date will not receive an issue statement of new shares from Euroclear Sweden. For such shareholders, subscription and payment of new shares with preferential rights shall be made to the respective nominee and pursuant to the instructions provided by the nominee(s).

Paid subscribed shares (BTA)

Shares subscribed and paid for (Sw. *betald tecknad aktie* – "**BTA**") on the basis of subscription rights will be registered with Euroclear Sweden as soon as possible, which normally means up to two banking days after payment. The subscriber will then receive a securities notice confirming the BTA has been registered to the subscriber's securities account. Shareholders with nominee-registered holdings will receive BTAs and information in accordance with respective nominee's procedures.

Trading in paid subscribed shares (BTA)

Trading in BTA of class B on Nasdaq Stockholm is expected to take place from and including 29 March 2019 up to and including 17 April 2019 under the ticker AF BTA B. The ISIN code for BTA of class B is SE0012455277. Securities institutions with the required authorisation will provide brokerage services for purchase and sale of BTA.

Delivery of shares

After the rights issue has been registered with the Swedish Companies Registration Office, which is expected to occur around 23 April 2019, BTAs will be converted to new shares, without any notification by Euroclear Sweden. The new shares are expected to be available on the subscriber's securities account around 25 April 2019.

Subscription for new shares on the basis of subsidiary preferential rights and without preferential rights

Application for subscription for shares on the basis of subsidiary preferential rights and without preferential rights will take place during the same period as the application for subscription for shares on the basis of primary preferential rights, that is from and including 29 March 2019 up to and including 12 April 2019. Application to subscribe for shares on the basis of subsidiary preferential rights and without preferential right shall be made using the application form "Subscription for shares with subsidiary right and without preferential right", which is to be completed, signed, and then sent or delivered to Handelsbanken Capital Markets, Emission, to the address stated on the application form. Application forms can be obtained at any of Handelsbanken's branch offices or downloaded from Handelsbanken's website www.handelsbanken.se/investeringserbjudande and from ÅF Pöry's website www.afconsult.com. The original application form must be received by Handelsbanken Capital Markets, Emission, no later than 12 April 2019.

The application form may be sent by postal mail to the address on the application form, or handed in at any of Handelsbanken's branch offices. Only one application form per person or firm will be considered. In case more than one application form is submitted, only the last one received will be considered. Incomplete or incorrectly completed application forms may be disregarded.

Allotment of shares subscribed for without subscription rights

Shares not subscribed for on the basis of primary preferential rights will be allotted according to a decision by the Board of Directors. Shares not subscribed for on the basis of primary preferential rights shall be allotted to shareholders who subscribe for shares on the basis of subsidiary preferential right. If an insufficient number of shares are available for subscription on the basis of subsidiary preferential right, the shares shall be distributed among the subscribers in proportion to the exercised primary preferential right and, to extent that this cannot be done, by drawing of lots. For shares not subscribed for pursuant to primary or subsidiary preferential rights, shares will be allotted to others who have registered to subscribe for shares in the rights issue (applicable to the general public in Sweden and qualified investors) and, in the event that they cannot obtain full allotment, allotment shall be made in proportion to the number of shares which each of the subscribers have applied to subscribe for and, to extent that this cannot be done, by drawing of lots.

A settlement note will be sent out as confirmation of any allotment around 18 April 2019. Subscribed for and allotted new shares must be paid in accordance with the instruction provided, however, no later than three bank days after the settlement note has been sent. A confirmation will only be sent to those who have been allotted shares. The estimated payment date for shares subscribed for on the basis of subsidiary preferential rights and without preferential rights is around 25 April 2019. If payment is not made on time, the shares may be transferred to others. In the event that the selling price is lower than the subscription price in connection with such transfer, the party that was initially allotted the shares shall be liable to pay all or part of the difference. After payment of the subscribed and allotted shares and the shares have been registered with the Swedish Companies Registration Office, a securities notice will be sent from Euroclear Sweden confirming the registration of the subscribed and allotted shares in the subscriber's securities account.

Shareholders with nominee-registered holdings

For shareholders whose holdings are nominee-registered with a bank or other nominee, any new shares subscribed for, pursuant to subsidiary preferential rights or without preferential rights, must be subscribed for through the nominee(s). Banks or other nominees must read and comply with the restrictions described in "*Shareholders resident in certain ineligible jurisdictions*".

Listing of the new shares

The share of class B in ÅF Pöry is admitted to trading on Nasdaq Stockholm. After the Swedish Companies Registration Office has registered the new shares of class B, they will also be admitted to trading on Nasdaq Stockholm. Registration of the new shares subscribed for with primary preferential rights at the Swedish Companies Registration Office is expected to occur around 23 April 2019. Trading in the new shares of class B is expected to begin around 25 April 2019, on condition that registration has occurred. The new shares that were subscribed for with subsidiary preferential rights and without preferential rights are expected to be registered with the Swedish Companies Registration Office around 30 April 2019, and the shares are expected to be registered in the respective securities account around 3 May 2019, and be subject to trading around 3 May 2019, on condition that registration has occurred. The new shares of class A will not be listed or admitted to trading on Nasdaq Stockholm.

Right to dividend

The new shares entitle to dividends for the first time on the record date for dividend that occurs after the shares have been entered into the share register kept by Euroclear Sweden and the rights issue has been registered with the Swedish Companies Registration Office.

Conditions for completion of the offering

The Board of Directors of ÅF Pöry does not have the right to suspend, revoke or temporarily withdraw the offer to subscribe for shares in ÅF Pöry in accordance with the terms and conditions of this prospectus. The Board of Directors of ÅF Pöry is entitled to extend, one or several times, the period during which application for subscription and payment can be made. Notification of an extension of the subscription period, if any, will be published through a press release.

Announcement of the outcome of the rights issue

The outcome of the rights issue will be announced in a press release from ÅF Pöyry, which is expected to occur around 18 April 2019.

Information to distributors

In connection with the product governance requirements of: (a) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID II"); (b) Articles 9 and 10 of the Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) Chapter 5 of the Swedish Financial Supervisory Authority's regulations regarding investment services and activities, FFFS 2017:2 (together the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "producer" (in accordance with the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to an authorisation process, in which the target market for shares in the Company is (i) non-professional clients and investors who fulfil the requirements for professional clients and equal counterparties, each in accordance with MiFID II (the "target market"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Notwithstanding the target market assessment, the distributors should note that: the value of shares in the Company may decrease and investors may not regain all or part of the invested amount; shares in the Company do not guarantee revenue or capital protection; and an investment in the Company's shares are solely suited for investors who are not in need of a guaranteed revenue or a capital protection, who (either alone or together with a suitable financial or other advisor) are capable of evaluating the benefits and risks with such an investment and have sufficient means to carry such losses that may arise thereof. The target market evaluation does not affect the requirements in any contractual, legal or regulatory sales restrictions in relation to the rights issue. The target market evaluation should not be considered as (a) an eligibility or suitability evaluation in accordance with MiFID II; or (b) a recommendation to any investors or group of investors to invest in, obtain, or take any other action concerning the Company's shares. Each distributor is responsible for its own evaluation of the target market concerning shares in the Company and for determining the appropriate distribution channels.

Other information

In the event that a subscriber paid a too large amount for the shares issued, Handelsbanken will arrange for the excess amount to be refunded. Subscription for shares is irrevocable and the subscriber cannot cancel or modify a subscription for shares. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is made too late, is insufficient or made incorrectly, the subscription may be disregarded or subscription may be made at a lower amount. Subscription payments not used will in such case be refunded. Only one application form may be submitted. If several application forms of the same category are submitted, only the most recent application form that Handelsbanken received will be considered. Payment received late in amounts less than SEK 100 will only be refunded on request. Handelsbanken receives and handles application forms and subscription payments in the rights issue on behalf of ÅF Pöyry. This means that no customer relationship arises between the subscriber and Handelsbanken solely because Handelsbanken receives and handles application forms and subscription payments.

Important information regarding NID and LEI

According to MiFID II, commencing on 3 January 2018, all investors must have a global legal entity identifier in order to carry out a securities transaction. As a result of these requirements, legal persons need to apply for registration of a Legal Entity Identifier (LEI) code and natural persons need to find out their National ID (NID) number or National Client Identifier to be able to subscribe for shares in the rights issue. Note that it is the legal status of the share signatory that determines whether a LEI code or NID number is needed and that Handelsbanken may be prevented from executing the transaction for the person in question if the LEI or NID (as applicable) is not provided. Legal persons who need to obtain a LEI code may turn to one of the providers in the market. Instructions for the global LEI system can be found on the following website: www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations. For natural persons who only have Swedish citizenship, the NID number consists of the designation "SE" followed by the person's personal identity number. If the person in question has dual citizenship, or anything other than Swedish citizenship, the NID number may be another type of number. Those who intend to subscribe for shares in the rights issue are encouraged to apply for registration of a LEI code (legal persons) or find out their NID number (natural persons) in good time as this information is required on the application form at the time of submission.

Taxation

For information concerning taxation, see "*Certain tax issues in Sweden*".

Information on processing of personal data

Those who subscribe for shares in the rights issue will provide personal data to Handelsbanken. Personal data provided to Handelsbanken will be processed in computer systems to the extent necessary in order to provide services and administer commitments in Handelsbanken. Also personal data collected from other parties than the subscriber in question may be processed. Personal data may also be processed in computer systems of companies and organisations with which Handelsbanken cooperates. Information regarding the processing of personal data is provided by Handelsbanken's branch offices, which also accepts requests for correction of personal data. Address information may be collected by Handelsbanken through an automatic data run at Euroclear Sweden.

Estimated timetable

First day of trading excluding the right to receive subscription rights	26 March 2019
Record date for participation in the rights issue	27 March 2019
Subscription period commences	29 March 2019
Trading in subscription rights commences	29 March 2019
Trading in BTAs commences	29 March 2019
Last day of trading in subscription rights	10 April 2019
Subscription period concluded	12 April 2019
Last day of trading in BTAs	17 April 2019
Estimated date of publication of the outcome of the rights issue	18 April 2019
First day of trading in new shares subscribed for with subscription rights	Around 25 April 2019
First day of trading in new shares subscribed for without subscription rights	Around 3 May 2019

How to proceed

Terms	You will receive one (1) subscription right for each existing share of class B in ÅF Pöry. Three (3) subscription rights of class B entitle to subscription for one (1) new share of class B in ÅF Pöry. Subscription can also be made with subsidiary preferential right and without preferential right.
Subscription price	SEK 99 per share
Record date for participation in the rights issue	27 March 2019
Subscription period	29 March–12 April 2019
Trading in subscription rights	29 March–10 April 2019

Subscription for shares with preferential rights (primary preferential right)

1. You are allotted subscription rights

For each share of class B in ÅF Pöry that you hold on 27 March 2019, you will receive one (1) subscription right of class B.	1 share of class B in ÅF Pöry	→	1 subscription right of class B
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2. How to exercise your subscription rights

Three (3) subscription rights of class B + SEK 99 entitle to one (1) new share of class B in ÅF Pöry.	3 subscription rights of class B	+ SEK 99 →	1 new share of class B
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3. Are you a directly registered shareholder or are your shares nominee-registered?

You have a Swedish securities account (meaning that you are a directly registered shareholder) and are resident in Sweden	→	If you wish to exercise all subscription rights, use the pre-printed bank giro form from Euroclear Sweden.
	→	If you have purchased, sold or transferred subscription rights to/from your securities account, use a special subscription form and make the payment, for subscription by means of payment. The special form is available on www.handelsbanken.se/investeringserbjudande and www.afconsult.com . Payment must be made in accordance with the instructions on the form.
You have a Swedish securities account (meaning that you are a directly registered shareholder) but resident outside Sweden ¹⁾	→	See "Information to shareholders with directly-registered holdings resident abroad" in "Terms and conditions"
You have a custody account (meaning that you are a nominee-registered shareholder)	→	If your shares are held in one or more custody accounts at a bank or other securities institution, your nominee(s) will inform you of the number of subscription rights that you have received. Follow the instructions that you receive from your custodian(s)/nominee(s).

Subscription for shares with subsidiary preferential right and without preferential rights²⁾

You have a Swedish securities account	→	Use the subscription form available on www.handelsbanken.se/investeringserbjudande and www.afconsult.com .
You have a custody account (meaning that you are a nominee-registered shareholder)	→	Subscription and payment should be made through the respective nominee. Follow the instructions that you receive from your custodian(s)/nominee(s).

Please note that certain custodians/nominees may apply a shorter subscription period. Please check the instructions that you receive from your custodian(s)/nominee(s).

- 1) Restrictions apply to U.S. and certain other non-Swedish investors. See "Shareholders resident in certain ineligible jurisdictions" in "Terms and conditions" and "Selling and transfer restrictions".
- 2) Any allotment will be made pursuant to the principles described under "Allotment of shares subscribed for without subscription rights" in "Terms and conditions". Restrictions apply to U.S. and certain other non-Swedish investors. See "Shareholders resident in certain ineligible jurisdictions" in "Terms and conditions" and "Selling and transfer restrictions".



Industry overview

This prospectus contains certain market and industry information sourced from third parties. Although the information has been accurately reproduced and ÅF Pöyry finds the sources reliable, ÅF Pöyry has not independently verified the information and therefore, the accuracy and completeness cannot be guaranteed. As far as ÅF Pöyry is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the information inaccurate or misleading. The subsection “The Nordic engineering and consulting market” is based entirely on the Sector Review 2018¹⁾ unless otherwise indicated. The Sector Review 2018 is based on information available to the publisher, the Federation of Swedish Innovation Companies (Sw. Innovationsföretagen). The information refers to the 2017 calendar year for over half of the member companies of the Federation of Swedish Innovation Companies. The remaining member companies have a split 2017/18 financial year. Accordingly, the information concerns their split financial years. As the Sector Review 2018 primarily refers to information from 2017, the information below is thus the most recent available.

Introduction

ÅF Pöyry is active in multiple disciplines in the Nordic engineering and consulting market, which encompasses architectural, engineering and industrial consulting services (referred as the “**engineering and consulting market**” in this section). As of the date of this prospectus, ÅF Pöyry operated in 50 countries in, for example, Europe, Asia and South America. Most operations are in the Nordic region, where 91 per cent of ÅF’s net sales and 38 per cent of Pöyry’s net sales were generated in 2018. Therefore, this section primarily contains descriptions of the Nordic engineering and consulting market but excludes Iceland since ÅF Pöyry has no operations there.

Macro overview²⁾

According to the International Monetary Fund (“**IMF**”), global growth has increased since mid-2016. In October 2018, it was reported that global growth was expected to reach 3.7 per cent in 2018 and 2019.³⁾ However, growth is expected to be lower in many of the major economies going forward. For example, growth in the United States is expected to have peaked in 2018 and to decline to 2.5 per cent in 2019 and 1.8 per cent in 2020. The reduced growth forecasts for the United States are largely due to trade measures such as the customs duties imposed on certain goods from China.

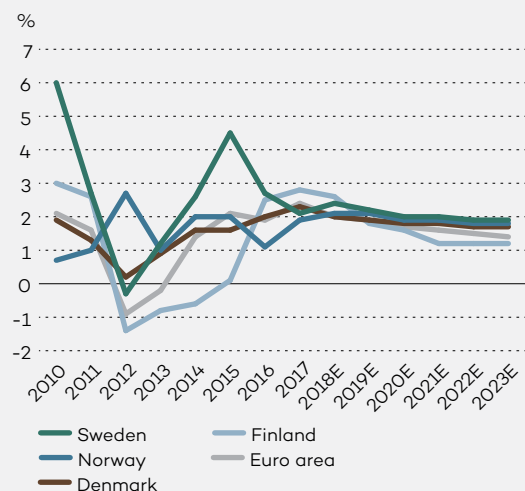
Economies in Asia may be affected by trade measures as well. Growth for China and several other Asian countries is expected to weaken in 2019. In China, growth is expected to decline to 6.2 per cent in 2019, compared to 6.9 per cent in 2017. The growth forecast for developing countries is positive, and is expected to be 4.7 per cent in 2019. As regards the forecast for

Europe, growth is expected to weaken to 1.9 per cent in 2019. In Latin America, growth is expected to rise in 2019 to 2.2 per cent compared to 1.3 per cent in 2017.

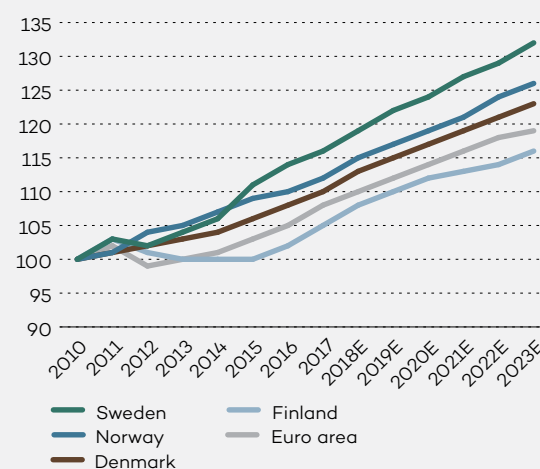
As a result of, among other factors, increased political uncertainty and trade measures, risks associated with global growth are considered to have increased in 2018. The factors discussed above may cause companies to halt or delay investments, which may in turn have a negative impact on growth. Growth is expected to weaken further in most major economies due to monetary policy measures such as raising long-term interest rates, which is expected to occur in both the United States and the United Kingdom.

- 1) The Sector Review was published in December 2018 and is a summary of the architecture, engineering and consulting industry in Sweden, the Nordic region and Europe, published by the Federation of Swedish Innovation Companies (formerly, Svenska Design- och Teknikföretagen). The Federation of Swedish Innovation Companies represents 765 member firms in Sweden. Together, these companies have approximately 37,000 employees and represent nearly two thirds of the industry’s employees. The Federation of Swedish Innovation Companies monitors approximately 2,000 companies in Sweden, the Nordic region and Europe. The cooperation organisations in the report from 2018 are the Danish Association of Consulting Engineers in Denmark, the Consulting Engineers’ Association and Arkitektbedriftene in Norway, Suunnittel- ja konsultointiyritykset SKOL ry (“**SKOL**”) in Finland and Felag ráðgjafarverkfræðinga and Samtök arkitektastofa in Iceland.
- 2) In the “Macro overview” subsection, growth refers to real gross domestic product (“GDP”). All information in this subsection is derived from IMF (World Economic Outlook, October 2018) unless otherwise indicated.
- 3) www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD.

Annual GDP growth, constant prices
2010–2023E (per cent)



Annual GDP growth, constant prices
2010–2023E, indexed to 2010 (2010=100)



Source: IMF (World Economic Outlook Database, October 2018).

The IMF forecasts that growth in Sweden will reach 2.2 per cent in 2019, which is somewhat higher than the forecast for Europe (1.9 per cent). In Sweden, a strong export market and a weak currency contribute to growth.⁴⁾ However, according to Sweden's National Institute of Economic Research (Sw. *Konjunkturinstitutet*), the Swedish economy is entering a slowdown phase, even if it is expected to remain strong for two more years.⁵⁾ For example, investments in the housing sector have previously been a strong driver of increase in demand. However, those investments are expected to decline somewhat in 2019. Aside from a somewhat slower increase in employment figures than previously measured, the Swedish labour market is expected to remain strong going forward according to the National Institute of Economic Research.

The IMF's forecast for Norway is similar to the Swedish growth forecast, with expected growth of 2.1 per cent in 2019. In 2020, growth is expected to reach 1.9 per cent, which is somewhat lower than the preceding year.⁶⁾ The Danish economy is expected to grow by around 1.9 per cent in 2019, and then decelerate slightly in 2020 with forecast growth of 1.8 per cent.⁷⁾ Private consumption is considered a driver of the Danish economy, while the anticipated effects of Brexit⁸⁾ are considered one of the greatest risks since the United Kingdom is an important trading partner for Denmark.⁹⁾ The IMF's growth forecast for Finland for 2019 and 2020 is an expected growth of 1.8 and 1.6 per cent, respectively.¹⁰⁾ The OECD's assessment is that the Finnish economy has begun to approach its full capacity, and growth in the economy is therefore expected to slow.

The Nordic engineering and consulting market

The Nordic engineering and consulting market is fragmented. For example, in Sweden the market consisted of approximately 12,000 companies in 2017. Of these companies, 10,090 had 0–2

employees, 11,880 had fewer than 50 employees, 20 companies had over 500 employees, and 12 groups of companies had over 1,000 employees.

Ongoing market consolidation has resulted in larger players. ÅF Pöry and other large Nordic engineering and industrial consulting groups, such as Sweco and Ramboll, have been part of this consolidation and grown larger in both their respective home markets and in their closest neighbouring countries. The consolidation has also resulted in increased integration of various businesses by integrating engineering and industrial consulting services in, for example, the construction industry making it possible to offer better turnkey solutions to clients.

Consolidation is also affected by external changes, such as increased digitalisation. In ÅF Pöry's opinion, greater complexity of projects and between systems, as well as clients' growing demand for turnkey solutions, requires greater breadth and depth in the expertise of engineering and consulting companies. Investments in proprietary processes, systems and software contribute to efficient use of resources distributed geographically within the same group, which in turn enables the groups to make the most of its cutting-edge expertise around the country and the region.

Although globalisation has brought significant changes to the ownership structure and the competitive landscape of the Nordic engineering and consulting market, the biggest market participants are still mostly regional. This is confirmed by the fact that only one group of companies (WSP) with their primary domicile outside the Nordic region is on the list of the ten largest groups of companies in the region.

In terms of profitability, the Swedish engineering and consulting companies reported an average EBITDA margin¹¹⁾ of 9.2 per cent (8.7 in 2016). Next came Finland with 8.9 per cent (6.9), Denmark with 6.4 per cent (7.2), and finally Norway with 5.7 per cent (6.6).

4) OECD (Sweden – Economic Forecast Summary, November 2018).

5) National Institute of Economic Research (Swedish Economy Report, December 2018).

6) IMF (Regional Economic Outlook: Domestic Expansion Running into External Turbulence, November 2018).

7) IMF (Regional Economic Outlook: Domestic Expansion Running into External Turbulence, November 2018).

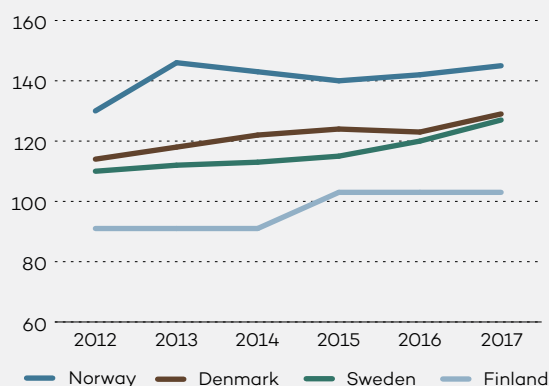
8) The United Kingdom's expected exit from the EU.

9) OECD (Denmark – Economic Forecast Summary, November 2018).

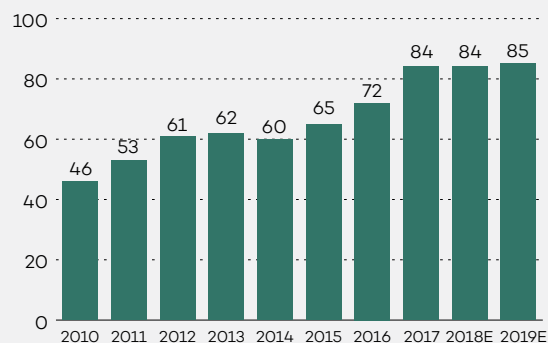
10) IMF (Regional Economic Outlook: Domestic Expansion Running into External Turbulence, November 2018).

11) EBITDA margin is a measure of earnings before interest, taxes, depreciation and amortisation divided by net sales.

Average net sales per employee, 2012–2017 (EUR thousand)



The industry's net sales in Sweden, 2010–2019E (SEK billion)



Source: Federation of Swedish Innovation Companies (Sector Review 2018).

In 2017, Norwegian engineering and consulting companies' average net sales per employee were EUR 145 thousand. Next came Denmark (EUR 129 thousand), Sweden (EUR 127 thousand) and Finland (EUR 103 thousand). Average net sales per employee increased compared to 2016 in all those countries except for Finland, where the figure was unchanged. Between 2012 and 2017, Swedish engineering and consulting companies' average annual increase in net sales per employee was 3.0 per cent. During the same period, Danish and Finnish companies' average annual increase in net sales per employee was 2.5 per cent. In Norway, average net sales per employee was 2.1 per cent between 2012 and 2017.

Sweden

The Swedish engineering and consulting market consists of approximately 12,000 companies that are members of the Federation of Swedish Innovation Companies. Net sales for the industry are expected to be stable in 2018, reaching the same level as in 2017 (SEK 84 billion). In 2017, the industry's net sales grew by approximately 17 per cent. However, a large share of this increase was attributable to the fact that additional companies joined the Federation of Swedish Innovation Companies during the year. Excluding new member firms, net sales grew by 8 per cent in 2017.

In 2019, the industry's net sales are expected to remain relatively unchanged, amounting to SEK 85 billion compared to the estimated net sales of SEK 84 billion in 2018, which corresponds to an increase of 1 per cent.

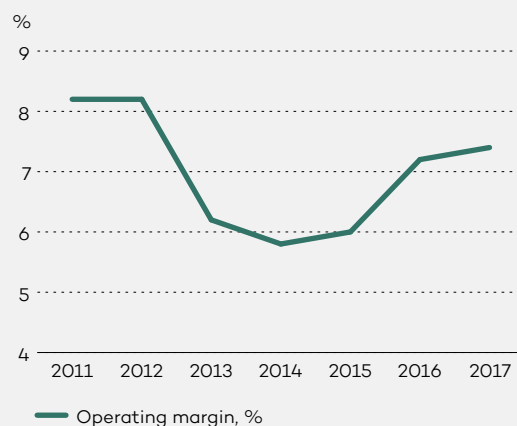
The average operating margin¹²⁾ for Swedish engineering and consulting companies was 7.4 per cent in 2017. Average profitability for 2018 is expected to decline somewhat for architectural consulting services, while average profitability for industrial consulting services is expected to increase. In 2019, average profitability is expected to level off and perhaps decline slightly for the entire industry. A softening housing sector, lower average fees and a higher share of orders from the public sector are reasons for this expectation.

Price development was positive in Sweden in 2017, and, for example, average fees increased with approximately 3 per cent.

In the first eight months of 2018, average fees increased by approximately 2 per cent. However, average fees did not increase at the same pace as payroll expenses.

In the member survey conducted in September 2018, 43 per cent of the companies that responded reported that they believed new orders would increase in late 2018 or early 2019, while 7 per cent reported they believed that orders would decline. The trend in orders for industrial consulting services is strongly linked to the Swedish and foreign manufacturing industries, where the Swedish export industry has performed particularly well in recent years. The recovery in Europe and the strong U.S. economy have contributed to higher demand for exports. In the domestic market, the trend was driven by the good economy, described under "Macro overview" above.

Industry operating margin in Sweden, 2011–2017 (per cent)



Source: Federation of Swedish Innovation Companies (Sector Review 2018).

12) Operating margin refers to profit/loss before net interest income/expense and tax divided by net sales.

Norway

Together, the member companies of the Norway Consulting Engineers' Association (the Norwegian equivalent to the Federation of Swedish Innovation Companies) have approximately NOK 15 billion in sales and approximately 11,500 employees. The member companies represent about three fourths of the Norwegian consulting industry.¹³⁾

The Norwegian engineering and consulting market grew in 2017, and industry sales have increased by 17 per cent since 2014. The trend in the Norwegian economy has been characterised by stimulation of the economy through government and public funds, rising prices and strong exports of assets in 2017. Production in the market for infrastructure, excluding oil and gas, increased by 28 per cent between 2010 and 2018. Growth in construction and infrastructure was largely driven by public construction projects connected with renovations of academic institutions, healthcare institutions and historic buildings.

Profitability in the Norwegian engineering and consulting market has deteriorated since 2010. In 2017, Norwegian consulting firms achieved an average profit before tax of approximately 5.5 per cent, which is low in historic terms. The diminished profitability is due to factors that include higher project risks in the construction industry, which are believed to have increased due to the increased use of turnkey contracts. These contracts mean that the contractor undertakes to deliver an end-to-end solution, which means that the project consists of multiple parts and may therefore be riskier.

Finland

The number of employees of companies that are members of SKOL, Finland's industry association and labour union for independent consulting firms, increased from approximately 17,000 companies in 2016 to over 18,300 companies in 2017. In addition to these companies, SKOL also has member companies with a total of 8,000 employees located outside Finland. Together these companies represent about half of the Finnish consulting firms.

Between 2016 and 2017, net sales increased by 6 per cent for Finnish engineering consulting companies in the industry, infrastructure and construction sectors. Infrastructure showed the largest increase, followed by industry. On the other hand, the construction industry declined by nearly 2 per cent. Most growth was generated domestically.

Between July and September 2018, the value of new orders was 12 per cent lower than in the previous quarter, but 49 per cent higher than the corresponding period in 2017. As of 30 September 2018, the total value of the order books was 11 per cent higher compared with the value on 30 June 2018, and 32 per cent higher than on 30 September 2017.

The growth rate is expected to decline in 2019 due to, for example, lower housing production. Although inflation in Finland is at low levels, construction costs are increasing. Unemployment in Finland declined to nearly 6 per cent in the construction industry, which is significantly lower than figures for the entire country. However, the high employment rate in the construction industry has resulted in a shortage of skilled personnel, which may obstruct growth.

Denmark

The Danish Association of Consulting Engineers is Denmark's equivalent to the Federation of Swedish Innovation Companies. The organisation has approximately 300 member companies, which employ approximately 28,000 employees. In 2017, the Danish engineering and consulting companies generated DKK 25.3 billion in net sales globally, of which DKK 12 billion was generated by subsidiaries of international companies with their head office in Denmark. Total net sales in 2017 corresponded to a 1.3 per cent increase compared to 2016.

The average operating margin (EBIT) for Danish consulting companies was 6.7 per cent in 2017, resulting in lower profitability compared to 2016, when the operating margin was 7.1 per cent. The Danish engineering and consulting companies achieved a profit margin before tax of more than 6 percent over five years. According to EFCA,¹⁴⁾ profitability is expected to remain unchanged in 2019.

Contract types

Projects vary in terms of how much responsibility the client, contractor and consultant take in terms of project management and the various contract components. ÅF Pöyry's contract types can be divided into the following two categories:

- **Project:** The "Project" contract type is ÅF Pöyry's offering for major projects and end-to-end solutions. With this project type, ÅF Pöyry acts as a partner to the client, leading and running the entire project and being paid to deliver a solution or outcome within a set timeframe. Project examples are helping clients to reduce costs, increase productivity or enter new markets. In 2018, 64 per cent of ÅF's assignments were of the "Project" contract type.
- **Service:** Many clients need temporary personnel or expertise in various areas or processes. This is when ÅF Pöyry offers the "Service" contract type. This contract type usually means that ÅF Pöyry uses clients' own development process, while ÅF Pöyry's contribution consists of providing the expertise needed for a functioning end-to-end solution. The client manages and runs the project and pays ÅF Pöyry for the time spent. In 2018, 36 per cent of ÅF's assignments were of the "Service" contract type.

ÅF Pöyry's end markets

ÅF Pöyry's end markets can be divided into three sectors: infrastructure, industry and energy. In the infrastructure sector, ÅF Pöyry operates in the areas of transportation, building technology, water and environment. Transportation is the largest market segment in terms of net sales. In the industry sector, to which ÅF Pöyry provides services through its Industrial and Digital Solutions and Process Industries divisions, the Company operates in industries such as automotive, food and pharma, and the forest industry. In the energy sector, the Company has expertise in thermal power, hydropower, and transmission and distribution of all types of electricity generated from various energy sources such as water, coal, gas, bio and waste fuels, nuclear fuel and renewables. Thermal power is the largest segment in terms of net sales. Infrastructure, building technology, energy, the process industry and the automotive industry are the most important market segments for ÅF Pöyry overall.

13) www.rif.no/about-rif/.

14) The Barometer Task Group of the European Federation of Engineering Consultancy Associations ("EFCA") has conducted surveys since 2012 to create an overview of the European consulting and engineering sector. It is the only association that represents the engineering and consulting industry in Europe. See EFCA survey, Autumn 2018. The information was obtained in September and October 2018.

Infrastructure

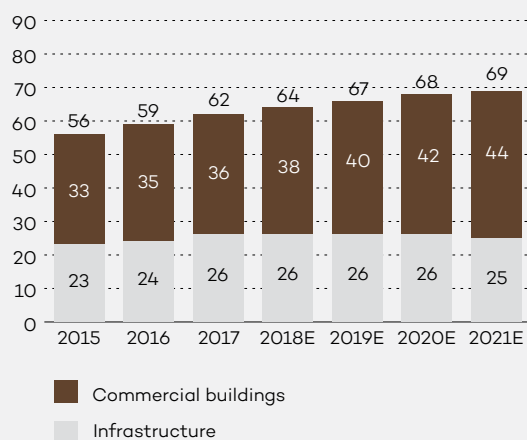
Many of ÅF Pöyry's clients endeavour to build attractive and sustainable communities. Digitalisation in traditional infrastructure assignments is increasing through connected transports and greater functionality, flexibility and security in buildings. ÅF Pöyry considers the infrastructure sector to be characterised primarily by the factors below.

Sustainable urban development

A strong urbanisation trend is driving more and more people to cities, which increases demand for climate-adapted, secure environments combined with smart communication solutions. Demand for new and upgraded commercial buildings is also increasing. Sustainable urban development requires a combination of partnerships between different sectors, management on several levels and high-level communication with citizens and the business community.

According to Euroconstruct, investments in commercial buildings and infrastructure have increased in recent years in the Nordic region (excluding Iceland).¹⁵⁾ Investments increased by approximately 5 per cent from 2016 to 2017, and are expected to increase in the next few years as well. Investments in commercial buildings and infrastructure are expected to increase by about 2 per cent between 2019 and 2020.

Investments in commercial buildings and infrastructure in the Nordic region (excluding Iceland) 2015–2021E (EUR billion)



Source: Euroconstruct (86th Summary Report, November 2018).

Intelligent buildings

In the property area, the demographic trend of a growing and aging population has contributed to the current structural transformation of the healthcare system, which means that some areas of healthcare are being digitalised for purposes such as creating smarter ways of working and providing better quality care to patients and care users. Furthermore, a more personalised form of healthcare is also being developed, where digital solutions provide people with greater independence and better support in managing their own health or illness.

More efficient transportation

Increasing density in cities and small municipalities surrounding major cities increase the need for efficient transportation solutions. Major investments are being made in road and rail

traffic, primarily in Sweden and Norway, such as the East Link high-speed railway between Stockholm and Linköping, Follobanen in Norway and the West Link in the Gothenburg region. The projects run for several years and extensive new investments are being planned. Moreover, major technology changes are in the offing. In the railway area, the cross-border European Rail Traffic Management System (ERTMS) is being developed. For road traffic, this means a rapid increase in the amount of IT and automation in vehicles, as well as the potential for effective interaction with infrastructure systems.

Industry

Industrial companies today are encountering increasingly global competition with higher demands for productivity, quality and work environment. Processes and production are being streamlined, while new products are being developed to maintain market share and profitability. As needs increase in number and become more demanding, sustainability issues are becoming increasingly important for industrial companies. ÅF Pöyry considers the industrial sector to be characterised primarily by the factors listed below.

Sustainable industry

Sustainable solutions are becoming increasingly important throughout the entire industrial value chain – from materials and design to suppliers, production, product development and use. Resource efficiency and the use of renewable materials are also becoming more common requirements in product development. In ÅF Pöyry's opinion, companies with leading expertise in sustainability will have a clear competitive advantage in the future. Furthermore, the Company considers that judicious industrial companies may desert the previously dominant linear economy for a circular economy with circular material flows, since resource optimisation is crucial. Circular material flows mean that materials from various parts of the value chain are recycled and will be used again. Another important feature of the industrial sector is that industrial companies are actively working to minimise their impact on the climate and environment, while at the same time authorities are continually making environmental requirements more stringent. In ÅF Pöyry's opinion, the factories of the future will produce different materials than those of today, with, for example, the renewable raw material of the forest industry being an important future material.

Future mobility

The global automotive industry is growing in terms of technology, services and the number of vehicles. For example, services outsourced in the global automotive industry have increased in recent years and this trend is expected to increase even more in the next few years. Established automotive firms are evolving and new players are entering the market, while at the same time the market is evolving from being vehicle centric to being a diversified market that offers mobility solutions with new brands and players. The automotive industry tends to invest in growth, development and partnerships in connected cars, autonomous (self-driving) cars and electrification. ÅF Pöyry expects the needs of consumers and society to change, and the use of more flexible transportation solutions will be prioritised.

Industrial digitalisation

Humans and technology are being increasingly integrated through robotics and automation. Digitalisation has taken

¹⁵⁾ Euroconstruct, (86th Summary Report, November 2018).

humanity to the next industrial revolution – Industry 4.0 – which is characterised as the connected factory. Industry 4.0 creates significant opportunities for efficiency measures, productivity and greater profitability through improved quality, smarter flows, fewer stoppages and greater flexibility.

Energy

The global energy sector is in a state of transformation. Significant changes are taking place in technology, politics and market conditions. In ÅF Pöyry's opinion, the overall trends in the energy sector are an increased need for energy, decentralisation of electricity grid and production (including electricity being produced partly by individuals and households), and greater demand for renewable forms of energy and digitalisation. ÅF Pöyry considers the energy sector to be characterised primarily by the factors listed below.

Increased energy needs

The number of megacities – metropolitan areas with over ten million inhabitants – is steadily rising, particularly in Asia. Access to energy per person is lower in Asia than in Europe.¹⁶⁾ In Asia, an improved, reliable energy supply is a strategic factor in the improvement of living standards. The extensive process of urbanisation – along with rapid industrialisation – require increased capacity in terms of energy, transport and water supply. Therefore, ÅF Pöyry estimates that there is potential for new investments in traditional energy supplies, which requires existing plants to be upgraded and streamlined. Moreover, in global terms, major investments are being made to provide solutions for energy storage and more efficient use of current electricity grids.

According to IEA¹⁹⁾, the world's total energy demand is expected to increase from around 13,972 Mtoe²⁰⁾ to 17,715 Mtoe between 2017 and 2040. The increase is primarily driven by bioenergy and hydropower as well as other renewables such as geothermal energy and concentrating solar power.

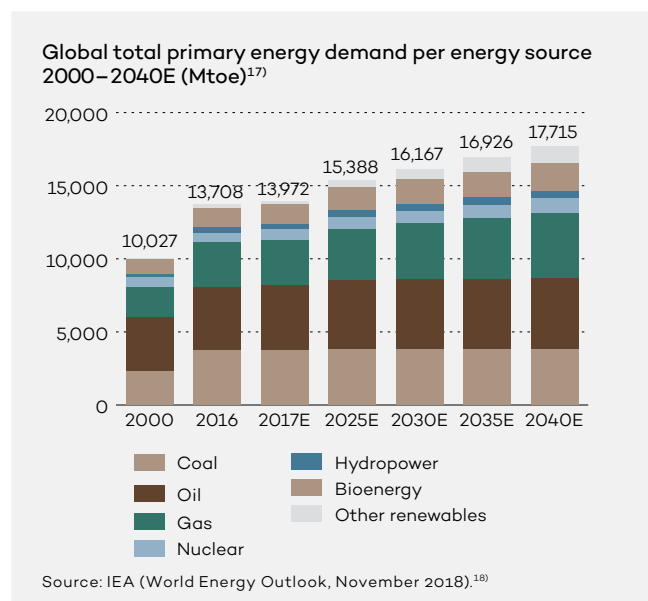
New business models

The energy market is largely dependent on political decisions made at the national level that are implemented by local authorities. Poor levels of profitability for many energy companies have given rise to new models of ownership. ÅF Pöyry also expects interest from the private sector to increase for investments in the energy sector. The investments are influenced by the political impetus to move to more sustainable types of energy, which requires new business models and innovative, cost-effective solutions.

According to IRENA,²¹⁾ total investments of USD 120 billion will be required between 2015 and 2050 to reach the global goal of an average temperature rise of a maximum of two degrees Celsius during the current decade.²²⁾ IRENA estimates that nearly half of the investments will be used for energy conservation measures.

Focus on sustainable energy sources

Today, around a billion people have no access to electricity. Meanwhile, the global population is expected to rise to 9 billion by 2040. Energy needs are also expected to increase by about 30 per cent by 2040, which creates substantial pressure to reduce impact on the climate. Therefore, the energy sector needs to handle climate change, and comprehensive efforts are required to achieve national and global climate goals.



16) UN (Statistical Yearbook – 61st issue (2018 edition)).

17) "New Policies Scenario" is the central scenario in World Energy Outlook 2018. It aims to illustrate the characteristics of the global energy sector should political ambitions with regards to energy be realised. In addition to political decisions that have already been made, the scenario includes effects from announced policies expressed in terms of targets and plans. Note that the value for 2017 is estimated due to that 2016 is the last year for which a complete picture of energy demand is in place.

18) Based on data from IEA World Energy Outlook 2018 Annex A Tables for Scenario Projections © 2018 OECD/IEA, www.iea.org/statistics, License: www.iea.org/t&c; as modified by ÅF Pöyry AB (publ).

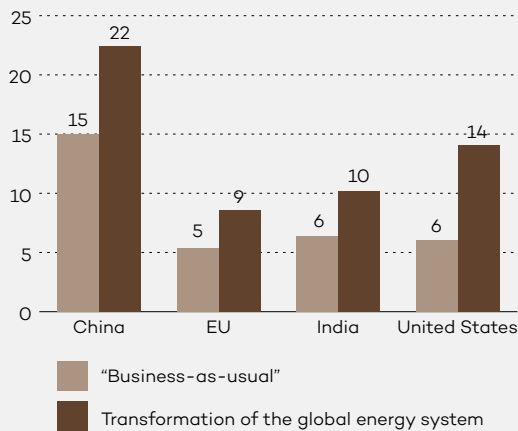
19) International Energy Agency ("IEA") (World Energy Outlook, November 2018).

20) Million tonnes of oil equivalent.

21) International Renewable Energy Agency ("IRENA") (Global Energy Transformation, 2018).

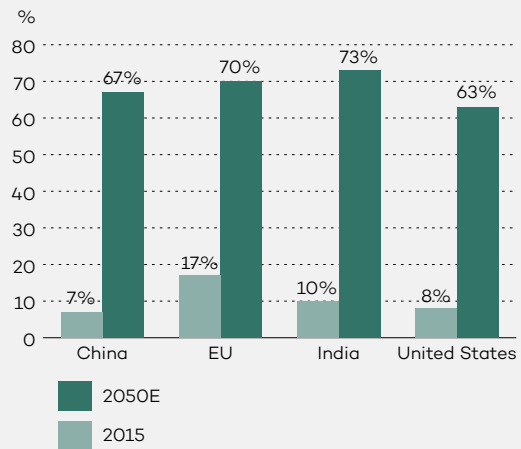
22) www.unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement.

Total investments to phase out fossil fuels between 2015 and 2050E (USD billion)²³⁾



Source: IRENA (Global Energy Transformation, 2018).

Renewable energy as a percentage of total energy use 2015 and 2050E²⁴⁾



Source: IRENA (Global Energy Transformation, 2018).

According to IRENA, renewable energy currently corresponds to approximately 20 per cent of the world's total energy production. The global share of renewable energy must increase to around two thirds by 2050 to reach the climate goal of a maximum average global temperature rise of two degrees Celsius. Furthermore, the world economy must reduce the intensity of energy use by an average of 2.8 per cent per year until 2050.²⁵⁾

Drivers

In the course of its strategy work, ÅF Pöry has identified four trends that the Company expects to be important regarding demand from its end markets. Digitalisation is a critical element of all the drivers.

1. Smart cities and infrastructure

A significant in-migration to cities is taking place, the population is aging and there is great demand for sustainable communities. Big, challenging social change is now under way and it requires tangible solutions. For example, climate-adapted, economical, secure and integrated communities where people live, work and enjoy themselves must be developed. Everything that affects people's daily lives, such as safe housing, efficient transportation, accessible healthcare, secure meeting places, clean air, reduced noise and good lighting, are important components of this development.

2. Future transportation solutions

Digital developments make entirely new solutions possible, leading to greater convenience, lower environmental impact and safer traffic environments. In the automotive industry, where companies are beginning to cooperate with entirely new players to remain competitive, a rapid transformation is currently under way that focuses on cars, autonomous vehicles and electrification. Consumers and society are also demanding increasingly more flexible transportation solutions.

3. Industrial digitalisation

Competition is becoming fierce in industry around the world, which increases demand for efficiency and profitability. Interactions between people and technology through robotics and automation are also increasing, while at the same time access to large quantities of data is opening completely new possibilities for performing more in-depth analyses and improving business intelligence. This is leading to the fourth industrial revolution – the connected factory.

4. The transformation of the energy market

The global climate goals, smart cities and future transportation solutions are driving the transition from fossil to renewable energy sources. Achieving the necessary change will require new and reliable electricity transmission and distribution grids, energy storage systems and digital solutions. The energy supply is expected to shift from mostly large-scale power generation to a mixture of energy deliveries, such as small-scale solar and large-scale hydropower, to ensure a sustainable energy supply. Smart electricity grids are expected to be a requirement for changes in the energy market as more and more people begin to produce their own electricity locally.

23) According to IRENA, the "business-as-usual" scenario considers current and planned national legislation proposals and is based on governments' energy need projections. Transformation of the global energy system is intended to show the amount of investments that would be required to reduce the global rise in temperature to a maximum of two degrees Celsius during the current decade.

24) Assumes that the global temperature target of a maximum two-degree Celsius rise in temperature is met.

25) IRENA (Global Energy Transformation, 2018).



Business description and the acquisition of Pöyry

Overview

ÅF Pöyry is an engineering, design and consulting company within the fields of energy, industry and infrastructure. The Company creates sustainable solutions for the next generation through talented people and technology. ÅF Pöyry operates in 50 countries and its core markets are Sweden, Norway, Denmark, Finland, Switzerland and the Czech Republic. In 2018, ÅF's net sales amounted to SEK 13,975 million, and the Company had as at 31 December 2018 in total 10,928 employees.

On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry. The acquisition closed on 21 February 2019, and since then the business has been operated under the name ÅF Pöyry (for further information about the acquisition of Pöyry, see "The acquisition of Pöyry" below). In 2018, ÅF Pöyry's pro forma net

sales amounted to SEK 19,918 million.¹⁾ The Nordic market represented 91 per cent of ÅF's net sales and 38 per cent of Pöyry's net sales in 2018. Combined, ÅF and Pöyry had in average 14,737 FTEs during 2018.

Prior to the acquisition of Pöyry, ÅF's operations was conducted through four divisions: Industry, Infrastructure, Digital Solutions and Energy. For a description of ÅF's divisions before the acquisition of Pöyry and their historical financial performance, see "Segments" in "Operating and financial review".

Since 22 February 2019, ÅF Pöyry's operations are divided into five divisions: Infrastructure, Energy, Process Industries, Industrial and Digital Solutions and Management Consulting. The divisions offer engineering, design and consulting services, as well as project and concept services, primarily in three sectors: energy, industry and infrastructure. For further information about ÅF Pöyry's divisions and their operations, as well as the combination of ÅF's and Pöyry's previous divisions, see "ÅF Pöyry's operations" below.

The history of ÅF

1895	The first Swedish steam boiler association (Sw. Ångpanneföreningen) is formed by owners of steam generators and other pressure vessels to prevent accidents through regulation inspections.
1920s	Ångpanneföreningen receives major contracts from several pulp and paper mills for regular production control at the plants.
1970s	In 1971, the Oskarshamnsväkt nuclear power reactor is commissioned, thus initiating Ångpanneföreningen's nuclear power operations. In 1977, the inspection operation for pressure vessels, lifts and lifting devices is nationalised, and approximately 300 employees are transferred to Statens Anläggningsprovning.
1980s	At year-end 1980, Ångpanneföreningen ceases to be a non-profit association and transfers its consulting operations to ÅF-Energikonstult AB, later renamed to AB Ångpanneföreningen. In the mid-1980s, the ownership of AB Ångpanneföreningen changes, and the non-profit association divests some of its shareholding in AB Ångpanneföreningen and forms Ångpanneföreningens Forskningsstiftelse. The share is listed on the Stockholm Stock Exchange on 12 June 1986.
1990s	In 1991, AB Ångpanneföreningen is one of Sweden's largest consulting firms within the fields of mechanics and electronics, as a result of, among other things, to the acquisition of Alfredeen-Rako. AB Ångpanneföreningen decides to resume control and inspection operations since the monopoly of Statens Anläggningsprovning ceases at year-end 1994. During the second half of the 1990s and the early 2000s, AB Ångpanneföreningen acquires several small companies, both in Sweden and abroad.
2002	AB Ångpanneföreningen appoints a new management team and a new group structure is implemented. Over twenty subsidiaries are merged to form five divisions, with approximately 2,300 employees.
2004	AB Ångpanneföreningen acquires the Finnish company CTS Engineering Oy, which operates in the pulp and paper industry, primarily in Finland. Six office buildings are sold in line with the strategy to refine AB Ångpanneföreningen into a consulting firm. The sale of the Group's property holdings is completed in 2005 with the sale of the head office in Stockholm.
2006	Three major acquisitions are completed: Ingemansson Technology, which operates in the fields of acoustics and vibrations; Enprima, which operates in the energy field; and Benima, which operates in automation and industrial IT. AB Ångpanneföreningen divests ÅF-Data.
2007	ÅF-CTS Oy and AF Chleq Fraté S.A. are divested as part of the streamlining of the Process division. Shortly thereafter, AB Ångpanneföreningen acquires Swiss energy consulting firm Colenco AG, which operates in Europe and Asia.
2008	AB Ångpanneföreningen changes its name to ÅF AB.
2010	ÅF AB divests the ÅF-Kontroll Division to Dekra to further strengthen the Company's position as one of Europe's leading engineering and consulting firms. Several acquisitions are completed, including energy and management consulting firm Mercados Energy Markets International, Energo, which operates in the energy and building installation sectors; and Göteborgs Gatutaktiebolag's infrastructure planning consulting business.
2011	ÅF AB acquires the Czech engineering and consulting company CityPlan, which specialises in infrastructure consulting.
2012	ÅF AB acquires Norwegian project management firm Advansia. ÅF AB and Epsilon merge, forming an engineering and consulting company with approximately 6,800 employees.

1) See "Pro forma financial information".

2013	ÅF AB acquires 13 business combinations, including Kåre Hagen and Hjertnes Byggrådgivning in Norway as well as Konferm, Teknogram, Connect Konsult and Ljusarkitektur Sweden in Sweden.
2014	ÅF AB acquires nine business combinations in Sweden, Norway and Switzerland, including ES-KONSULT Energi och Säkerhet in Sweden, and Xact Consultance in Norway. The Russian subsidiary ZAO Lonas Technologia is divested during the year.
2015	ÅF AB acquires Leannova, PRC, EQC Group and LEB Consult.
2016	ÅF AB acquires Erstad & Lekven Oslo, Alteco, Sandellsandberg, Edy Toscano and Reinertsen's infrastructure business in Sweden, and merges with Reinertsen in Norway. ÅF AB now has a total of 8,000 employees.
2017	ÅF AB acquires Vatten & Miljöbyrå, CECOM, Konzept Stockholm, Eitech's automation business, Light Bureau and InUse. Jonas Gustavsson takes over as the new President and CEO. A new strategy is launched – Future ÅF.
2018	ÅF AB acquires Gottlieb Paludan Architects, Arcad Architects, Facilia, Effekt, Mometo, Konsultbolag1, LBP, Profil-Bau Industrial, P.A.P and IFEC Ingegneria, and launches a public takeover offer to acquire Pöyry PLC.
2019	The takeover offer for Pöyry PLC is completed, and ÅF AB changes its legal name to ÅF Pöyry AB.

Strengths and competitive advantages

ÅF Pöyry considers that it has several strengths and competitive advantages that differentiate the Company from its competitors. In the Company's view, its primary strengths and competitive advantages are:

- Strong position in its core markets and broad exposure to multiple industries
- Ability to offer end-to-end solutions and to oversee the entire process
- In-depth expertise in several industry segments and advanced digitalisation capacity
- Sustainable solutions that respond to global trends and challenges
- One of the most attractive employers
- Significant experience in acquiring and integrating new businesses
- International presence with a platform for growth in selected segments

Strong position in its core markets and broad exposure to multiple industries

ÅF Pöyry is a strong player within industry, energy and infrastructure. Each sector has several niches and various types of clients in both the private and public business sector. The broad exposure to multiple industries and clients provides ÅF Pöyry with a stable foundation and may be less dependent on the state of the economy.

Ability to offer end-to-end solutions and to oversee the entire process

ÅF Pöyry's business model is based on offering concepts and solutions with overall responsibility for the projects. This allows ÅF Pöyry to enter the process early on, and actively help the client to choose solutions that create beneficial financial, environmental and social values. It also helps ÅF Pöyry to be more offensive in integrating sustainability aspects into its client assignments.

To increase the value delivered to customers, ÅF Pöyry has refined its offerings within service delivery and increased the share of projects and end-to-end solutions that integrate ÅF Pöyry's various fields of expertise. As a result, ÅF Pöyry can respond to global trends and take advantage of the Company's design capabilities and the opportunities provided by digitalisation, as well as effectively cultivate the aftermarket.

In-depth expertise in several industry segments and advanced digitalisation capacity

ÅF Pöyry has both breadth and great depth when it comes to expertise that the Company can offer in its client relationships in multiple industries. ÅF and Pöyry's 14,737 skilled employees²⁾ along with the Company's partner network of approximately 35,000 independent engineers and specialists form a comprehensive resource base. The partner network ranges from self-employed entrepreneurs, academics and an alumni network to independent engineers and researchers. For example, the Company is particularly strong in digitalisation, with approximately 1,500 in-house digitalisation consultants and a broad partner network that, with the help of technologies such as robotics, automation, cloud data, big data, the Internet of Things and AI, creates innovative solutions to enable digitalised industries and a more efficient energy and resource use.

The combination of ÅF Pöyry's in-house employees and partner network means that the Company is well-placed to provide the most appropriate team for any assignment. Together, these teams can offer clients sustainable design and engineering solutions that respond to global trends so that they can be one step ahead and strengthen their competitiveness in the long term.

Sustainable solutions that respond to global trends and challenges

The combination of ÅF Pöyry's expertise in design with smart digital solutions and in-depth domain knowledge of the infrastructure, industry and energy sectors enables the Company to contribute to sustainable societal development by offering end-to-end solutions within four growth areas: smart cities and infrastructure, industrial digitalisation, increased mobility and a transforming energy market. Sustainability must be an important feature of all ÅF Pöyry's interdisciplinary solutions.

One of the most attractive employers

ÅF Pöyry's success is based on satisfied and motivated employees. For several years, the Company has ranked as one of Sweden's most attractive employers, and in 2018, ÅF was voted as Sweden's fourth most attractive employer for engineers.³⁾ The ability to offer employees interesting career and professional development opportunities is an important competitive advantage in recruiting and retaining employees. This in turn lays the foundation for the Company's ability to create long-term profitability centred on economic, environmental and social matters.

²⁾ Number of FTEs (in average) in 2018 for ÅF and Pöyry combined.

³⁾ Universum "KarriärBarometern" (Career Barometer) survey with over 19,000 respondents (universumglobal.com/rankings/sweden/). The respondents were designated as Young Professionals, meaning college graduates under 40 with one to eight years of work experience. ÅF was ranked fourth in the engineer category in the 2018 survey.

Significant experience in acquiring and integrating new businesses

ÅF Pöyry has pursued an active acquisition strategy for a long time to drive growth while strengthening and expanding its client offering. ÅF has acquired approximately 90 businesses over the last 10 years in line with this strategy. The Company has thus significant experience in not only acquiring but successfully integrating new companies into ÅF Pöyry's structure and operations, which has resulted in a competitive offering to clients and long-term value creation for the Company's shareholders.

International presence with a platform for growth in selected segments

The Nordic region (excluding Iceland) is the Company's most important market. However, the Company operates in approximately 50 countries on five continents. The acquisition of Pöyry creates a strong platform for international growth. By combining ÅF's and Pöyry's knowledge, expertise and geographic reach, ÅF Pöyry can offer a more comprehensive array of services and greater international capacity. ÅF Pöyry can thus take on even larger and more complex assignments, thereby meeting clients' needs for complex and sustainable solutions.

Vision, business concept and strategy

Who we are

Our vision

Providing leading solutions for generations to come

ÅF – Making Future

Our values

We are
Brave
Devoted
Team players

Our mission

We create sustainable engineering and design solutions

How we win

Growth drivers

Smart infrastructure and cities

Future mobility

Industrial digitalisation

Changing energy markets

Our strategy

Growth
International expansion into leading positions

Value creation
Business model shift to deliver higher value

Operations
Operational excellence

People
Best in class people practices

Vision

ÅF Pöyry's vision is "Providing leading solutions for generations to come".

Business concept

ÅF Pöyry is an engineering, design and consulting company that creates sustainable technology and design solutions.

Strategy

ÅF Pöyry has extensive expertise in technology and design. Smart cities, smart infrastructure, future mobility, industrial digitalisation and the transforming energy market are strong social trends that drive ÅF Pöyry's business. By developing its current business model, ÅF Pöyry strive to reach a stronger position as an engineering, design and consulting company and to sharpen its focus on delivering concept solutions, both in the Nordic region and internationally. ÅF Pöyry's strategy will help it maintain strong growth and heighten profitability in an increasingly competitive market. The strategy can be divided into four sub-areas: Growth, Value Creation, Operational Excellence and People.

Growth	Value creation	Operations	People
International expansion into leading positions	Business model shift to deliver higher value	"Operational Excellence"	Best in class people practices
<ul style="list-style-type: none"> Geographical expansion in core countries International growth in selected niches Expansion in international investment projects 	<ul style="list-style-type: none"> Increase share of projects and solutions Cross-functional solutions to meet global growth drivers Invest in and develop concepts and selected products Optimisation of professional services 	<ul style="list-style-type: none"> Simplified and focused organisation Adjusted financial steering Optimised pricing and sourcing Ethical commitment 	<ul style="list-style-type: none"> Leadership development People engagement and involvement Employer branding Recruitment and onboarding Diversity and inclusion

Growth

ÅF Pöyry's strategy is to expand internationally and achieve leading positions in chosen segments. Growth in its core markets, Sweden, Norway, Denmark, Finland, Switzerland and the Czech Republic, is expected to occur on stable markets in Sweden and Finland, as well as through initiatives to increase market share in other core markets and achieve a stronger position in these markets. The combination with Pöyry strengthens ÅF Pöyry's base in the Nordic region where the Company has a strong position as well as strengthens its international position in selected niches, primarily the energy and process industry segments.

Value creation

ÅF Pöyry develops the client offer to increase the value and strengthen its clients' long-term competitiveness. ÅF Pöyry achieves this through projects, service delivery, cross-functional and packaged solutions, concepts and selected products that respond to global trends, take advantage of the opportunities provided by digitalisation and respond to climate challenges. For clients with larger projects where ÅF Pöyry provides end-to-end solutions, the Company acts as a partner of the client, leading and managing the entire project and is paid to deliver a solution or outcome within a set timeframe. In these types of projects, ÅF Pöyry benefits from its size, broad expertise and the leverage created in the organisation by its repeatable services. To take advantage of new opportunities and offer end-to-end solutions, ÅF Pöyry cultivates and intensifies its partnerships and collaborations in order to solve the major challenges of the future together. The combination with Pöyry and the new Management Consulting division enhance ÅF Pöyry's prospects for creating additional client value, since the Company can offer strategic advisory services and thus be involved in projects at an earlier stage.

Operations

ÅF Pöyry continues to strive for higher efficiency and to strengthen the Company's capabilities by optimising the organisation and adjusting financial control to create distinct responsibility for profits, client segments and international growth as well as increasing the number of projects and end-to-end solutions. Meanwhile, the Company is also working to be as sustainable as possible, with business ethics and the choice of partners, clients and projects being important aspects of this effort.

People

ÅF Pöyry strives to be an attractive employer that actively recruits, develops and retains the right people by offering interesting career and professional development opportunities. Its business model and international expansion require an increased focus on leadership to ensure long-term sustainable results. This requires continuous supply of good managers. ÅF Pöyry takes a well-organised long-term approach in identifying management talent and planning for promotions into various management roles. The Company organises training courses to support and develop managers.

Targets and dividend policy

Financial targets

ÅF Pöyry's strategy will help it maintain strong growth and increase profitability in an increasingly competitive market. ÅF Pöyry's financial targets are regularly evaluated based on market conditions and changes in the Company. The financial targets have not been changed due to the acquisition of Pöyry. These financial targets apply over a business cycle.

Growth	Annual growth of 10 per cent. The target includes add-on acquisitions. Larger platform acquisitions will also be made.
EBITA margin	An EBITA margin of 10 per cent (excluding items affecting comparability) over a business cycle.
Net debt	Net debt in relation to EBITDA of 2.5.

Dividend policy

The Board of Directors has adopted a dividend policy according to which the dividend corresponds to approximately 50 per cent of consolidated profit after tax excluding capital gains.

The financial targets and dividend policy above constitute forward-looking statements. Forward-looking statements do not constitute a guarantee of future results or development, and the actual outcomes could differ significantly from what is stated in forward-looking statements. See also "Forward-looking statements" under "Important information". There is a risk that the Group's actual results may differ significantly from its financial targets. See "The Group's actual results may differ significantly from its financial targets and forecast" in "Risk factors".

Employee objectives

ÅF Pöyry is a rapidly growing company with a continuous need for new talent, and the Company firmly believes that a diverse workplace makes it more competitive. Therefore, ÅF Pöyry actively pursues the promotion of diversity and inclusion, which involves developing processes to attract and recruit new managers and employees, to ensure fairness and gender-neutral salaries, and to educate and train managers in inclusive leadership. For example, in 2016, the Company began an initiative to recruit more newly immigrated engineers as a way of bringing valuable skills and new perspective to the Company. Since this initiative began, it has resulted in over 130 new hires and a place among the five most popular employers that college educated recent arrivals want to work for according to the Jobbsprånget trainee programme, which is run by the Royal Swedish Academy of Engineering Sciences (Sw. *Kungliga Ingenjörsvetenskapsakademien* – IVA).⁴⁾

Another of ÅF Pöyry's objectives is to create a better balance between the genders. One target of this objective is to have at least 30 per cent women in managerial positions as well as all other positions by 2020. As at 31 December 2018, a total of 26.2 per cent of employees were women, and the proportion of women recruited in 2018 was 29.3 per cent.

4) The Jobbsprånget trainee programme, which is run by the Royal Swedish Academy of Engineering Sciences (IVA), has compiled statistics on the employers that newly arrived college graduates wish to work for. Jobbsprånget offers newly arrived college graduates a four-month traineeship with Swedish employers all over the country. Applicants state their preferred employer when they apply to the programme. The statistics were published in February 2019.

Sustainability goals

Sustainability is at the heart of ÅF Pöyry's work and is clearly stated in the Company's business concept "to create sustainable engineering and design solutions". To adhere to this goal, the Company and the Research Institutes of Sweden (RISE) devel-

oped a digital tool to make its sustainability efforts measurable. ÅF Pöyry has established three sustainability focus areas: sustainable solutions, responsible business and attractive employer. These focus areas indicate what the Company wants to achieve within each area. See also "Sustainability" below.

Sustainable solutions	Responsible business	Attractive employer
<ul style="list-style-type: none"> Engineering and design solutions that help achieve the UN's 17 Sustainable Development Goals 	<ul style="list-style-type: none"> Long-term profitability Increased client satisfaction Halve ÅF Pöyry's carbon dioxide emissions by 2030 using 2016 as base year ÅF Pöyry's risk assessment checklist must always be filled in for new clients, deals and markets before a tender is issued 	<ul style="list-style-type: none"> Increased employee satisfaction Leadership must feature a high degree of confidence in line managers Increased proportion of women in the workforce: 30 per cent at all levels by 2020 Zero tolerance of discrimination

The acquisition of Pöyry

On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry for an offer price of EUR 10.20 per share, corresponding to a total value of EUR 611 million. The acquisition closed on 21 February 2019 following that approvals from the relevant competition authorities had been received and all other conditions in the public offer had been fulfilled.

Through the acquisition, ÅF Pöyry's net sales are expected to increase. In 2018, ÅF's net sales amounted to SEK 13,975 million. ÅF Pöyry's pro forma net sales amounted to SEK 19,918 million during the same period.⁵⁾ In 2018, ÅF's operating profit amounted to SEK 1,203 million. During the same period, ÅF Pöyry's pro forma operating profit amounted to SEK 1,567 million.⁶⁾ Following the acquisition, ÅF Pöyry's strategy will continue to be to create and offer innovative and sustainable solutions for its clients.

Jonas Gustavsson will be the President and CEO of ÅF Pöyry. The head office will be located in Stockholm and ÅF Pöyry's operations will be divided into five divisions. The divisions and their operations are described in "ÅF Pöyry's operations" below.

Presented below is a brief description of Pöyry's history and business prior to the acquisition as well as the reasons for the acquisition.

Overview of Pöyry's business

Pöyry was founded in 1958 by Jaakko Pöyry and is an international consulting and engineering company with operations within the energy, industry and infrastructure sectors. Pöyry is represented in approximately 40 countries through 130 offices. Within the scope of its consulting and engineering business, Pöyry provides services within energy production, transmission and distribution of electricity, biorefining, forest industry, chemicals, mining industry, metals, infrastructure, as well as within water and environment.

Pöyry's history

1958	Jaakko Pöyry Group was founded by Jaakko Pöyry.
1963	The company had produced approximately 10,000 drawings and employed more than 100 experts.
1973	At this point, Jaakko Pöyry Group had more than 1,000 employees.
1993	The company acquired Soil & Water & Ekono Energy, entailing that the company broadened its offering to include energy and environment.
1997	Jaakko Pöyry Group was listed on the exchange in Helsinki (currently Nasdaq Helsinki).
1999	The company merged with Electrowatt Engineering in order to gain more expertise within the water and energy sectors, as well as in the infrastructure in central Europe.
2006	The company's name was changed from Jaakko Pöyry Group to Pöyry.
2010–2012	The company operated in a challenging market environment, with the forest industry undergoing a transformation. The years were also characterised as tough due to financial losses in projects from the former Urban Business Group.
2013–2015	The infrastructure business in Eastern Europe was discontinued. Exposure to international infrastructure markets was also reduced during these years.
2016–2017	Martin à Porta was appointed as new CEO of Pöyry. The strategic plan was focused on creating an "intrapreneurial" culture with increased client focus and improved efficiency. The company invested in and implemented a new ERP (enterprise resource management) system and extensive restructuring measures, including fix cost reductions, turnaround or closure of loss-making units, with the aim of improving profitability.
2018	The year was characterised by changed focus and repositioning, efficiency gains and increasing value for the clients. Pöyry achieved net sales growth of 10.9 per cent, a strengthened order book, stable margins and strongly improved the net cash over net debt position. In December, ÅF announced its public cash tender offer to acquire all shares in Pöyry.
2019	ÅF acquired Pöyry on 21 February 2019, after which Pöyry became a part of ÅF Pöyry.

5) See "Pro forma financial information".

6) See "Pro forma financial information".

Pöyry's organisation and segments

In 2018, Pöyry had in average 4,700 full-time employees. Prior to the acquisition of Pöyry by ÅF, Pöyry's business was divided into four segments.

Energy

The Energy segment has, among other things, provided technical advisory services, engineering services, supervision and project management services within hydroelectricity, heat power, nuclear power, renewable energy as well as transmission and distribution of electricity. The segment also provided solutions to assist clients in effectively managing their assets through the company's entire life-cycle and has delivered both full projects as well as service to existing assets.

Industry

The Industry segment has offered technical advisory services, engineering services, project management and implementation services to clients within process industry through the entire life-cycle of the investment. The focus areas extend from forest industry to chemicals and biorefining. Solutions for complex new investment projects and conversions of existing plants were also offered within the scope of the segment.

Infrastructure

The Infrastructure segment has provided engineering services and technical advisory services within energy, industry, transport, real estate, water and environment. Pöyry cooperates closely with clients and other parties and offers a broad range and extensive network of local offices.

Management Consulting

The Management Consulting segment has offered advisory services to decision-makers in the global forest industry and energy sector. The segment offered strategic advisory services to capital-intensive and resource-demanding industries within, among others, energy, forest industry and biomaterials. The segment's services contribute to help clients make well-informed decisions, identify growth opportunities, innovations and contribute to value creation. In addition, Pöyry's advisory services contribute to clients being able to achieve enduring operational improvements through Pöyry's in-depth industry knowledge and documented experience.

Reasons for the transaction

Through the acquisition of Pöyry, ÅF Pöyry is expected to be a stronger market player than if ÅF and Pöyry had continued to operate as separate companies since the companies' respective operations are expected to complement each other well. For example, the Company considers Pöyry to have been stronger than ÅF within the international energy sector, and the joint company will be able to develop a stronger offering than ÅF and Pöyry individually. On the other hand, within infrastructure, ÅF has been a stronger market player and thus the integration of Pöyry's business is expected to create enhanced strength through, for example, economies of scale.

ÅF and Pöyry operate in an industry that is undergoing major changes. As a consequence of climate changes, resource efficiency improvements and rapid digitalisation, clients are encountering new and growing demands with respect to sustainability, changed energy markets, bioeconomy, smarter cities

and new means of transport. At the same time, conditions on the technical consulting market are changing with, among other things, consolidation as a consequence.

ÅF and Pöyry are two of the leading engineering and consulting companies in the Nordic region in terms of sales⁷⁾ and, through the combination of the companies, a strong platform is created for international growth within selected segments. Through combined experience, economies of scale, increased resources as well as committed and skilled employees, ÅF Pöyry is expected to contribute to the clients' continued growth and to have greater ability to undertake even larger and more complex assignments and thereby meet clients' needs for advanced and sustainable solutions.

The combination between ÅF and Pöyry is expected to lead to, among other things, the following benefits and synergies.

Creating a robust platform for growth – a stronger partner for clients

Through the combination, ÅF and Pöyry intend to create a robust platform for driving local and international growth within selected segments. Solid experience, expertise and an international reach are expected to enable ÅF Pöyry to deliver a more extensive range of innovative and sustainable solutions; to obtain access to skills and knowledge, and to have capacity and know-how to do so on an international level within selected niches. This is expected to create value for the clients and shareholders and, ultimately, to contribute to sustainable societies.

Combination between two companies in Europe with complementary operations

ÅF Pöyry is expected to be a competitive player both in Europe and globally. Pöyry's focus on forest industry and energy complements ÅF's offering within, for example, automotive industry, advanced manufacturing as well as food and pharma. Digital solutions are relevant and important for both companies' business and are expected to be a key component which can be utilised across all divisions. ÅF's strong position within digital solutions is also expected to be important for further strengthening Pöyry's business within management consulting. Pöyry's business within infrastructure is also expected to complement ÅF's strong position within this area. ÅF Pöyry is expected to have approximately 5,700 infrastructure experts working in Europe, with strong positions in North and Central Europe.

Strengthened international presence

ÅF Pöyry is expected to have a greater international presence and potential to profitably increase the pace of internationalisation. Prior to the combination, Pöyry conducted operations in approximately 20 countries in which ÅF has not previously conducted any business. In addition to the strong bases in Sweden and Finland, ÅF Pöyry is expected to have a strong presence in the rest of the Nordic region (excluding Iceland), Switzerland, Germany, Austria, the Czech Republic, Brazil and Southeast Asia. ÅF Pöyry's strength and increased geographic presence are expected to create new opportunities for its employees and to bring the Company closer to its clients, which are increasingly expecting an offering with global reach. The Nordic region (excluding Iceland) will clearly continue to be the Company's most important market.

7) Innovationsföretagen (Branschöversikten 2018).

Synergies through economies of scale

Size and economies of scale are expected to be important factors for ÅF Pöyry's business. For example, this is important as regards development of the Company's own offerings and solutions as well as recruitment of skilled employees. ÅF Pöyry's pro forma net sales in 2018⁸⁾ amounted to SEK 19,918 million and in 2018, ÅF and Pöyry jointly had a presence in approximately 50 countries. This is expected to have a significant impact on ÅF Pöyry's possibility and capacity to invest in growing segments and to deliver expertise, insight and services to its clients. At the same time, ÅF Pöyry has potential for cost synergies through, for example, information system efficiency improvements, reduced listed company costs, lower general and administrative costs, as well as office and operating structure efficiency improvements.

With respect to revenue synergies, ÅF Pöyry estimates that the Company will be able to win new projects as a consequence of the combined skills, size and increased geographic presence for all divisions. Revenue synergies are also expected to arise through cross selling, economies of scale within forest industry, mining industry, petrochemicals and bioeconomy, infrastructure deals and digitalisation projects.

Great similarities in corporate culture

ÅF and Pöyry share a Nordic industrial inheritance and have great similarities in corporate culture. Both companies have been high performance organisations with a strong entrepreneurial spirit and share the idea of involving employees to create innovation as part of the companies' culture. In addition, both ÅF and Pöyry have been listed companies and have a long history and experience of their respective markets. ÅF and Pöyry share an ambition to drive changes within their respective industries and to provide their clients with expertise and sustainable solutions.

Building on the strengths of both organisations – an even more attractive employer

ÅF Pöyry is expected to build on the strengths of both organisations in terms of being an attractive employer and to have a strong and experienced group management. The Group Management and heads of divisions in ÅF Pöyry comprise employees from both ÅF and Pöyry. According to Universum's annual ranking, ÅF is considered to be one of the most attractive employers by civil engineers in Sweden⁹⁾. In addition, both ÅF's and Pöyry's brands are well known on their respective markets. The joint brand will come to reflect the importance of the respective brands in relation to clients and employees. The combination is expected to give ÅF Pöyry a stronger position on the Company's

markets and to make the Company an even more attractive employer through increased opportunities for skills development and international careers for its employees.

New stronger shareholders with a long-term industrial perspective

The Ehrnrooth, Pöyry and Herlin families, all of which were major shareholders in Pöyry, have, through the companies Corbis (Ehrnrooth), Procurator (Pöyry) as well as Mariatorp and Wipunen (Herlin), become shareholders in ÅF Pöyry through the directed share issue that was resolved on 21 February 2019. Corbis, Procurator, Mariatorp and Wipunen have also undertaken to subscribe for new shares corresponding to their respective pro rata shares of the forthcoming rights issue. The families have a long industrial tradition in Finland. Through Henrik Ehrnrooth being elected as a member of the Board of Directors at the Extraordinary General Meeting held on 16 January 2019, the new owners enjoy influence in, and contribute knowledge about, Pöyry, its markets and a long-term industrial perspective, which is expected to be beneficial for the integration between ÅF and Pöyry.

Value creation for the shareholders and a positive economic impact

The combination is expected to result in benefits for ÅF Pöyry's stakeholders, including shareholder value through annual cost synergies of at least SEK 180 million, which are expected to be realised in full by 2020, at the latest. As mentioned above in "Synergies through economies of scale", the cost synergies are expected to arise through, for example, system efficiency improvements, reduced listed company costs and lower general and administrative costs. ÅF Pöyry is expected to create revenue synergies by increasing its competitiveness for various assignments, augment customer reach, achieving economies of size and scale on core markets, and by using combined expertise within complementary areas (such as management consulting operations, paper and pulp, mining industry and energy) and increasing its joint international presence.

Integration costs are expected to correspond to approximately one year's cost synergies, and are expected to be incurred in 2019. The acquisition is expected to be accretive to ÅF Pöyry's earnings per share adjusted for costs relating to the acquisition 2019 and accretive to ÅF Pöyry's earnings per share from 2020. ÅF Pöyry's net indebtedness will increase as result of the acquisition. In 2020, ÅF Pöyry is expected to once again reach the financial target of a net debt in relation to EBITDA of 2.5 in 2020.

8) See "Pro forma financial information".

9) Survey conducted by Universum called the "Career Barometer" with more than 19,000 participants ((universumglobal.com/rankings/sweden). The participants ("Young Professionals") is a designation for individuals below the age of 40 with an academic background and one to eight years' work experience. In the 2018 survey, ÅF was ranked fourth in the civil engineers category.

ÅF Pöyry's operations

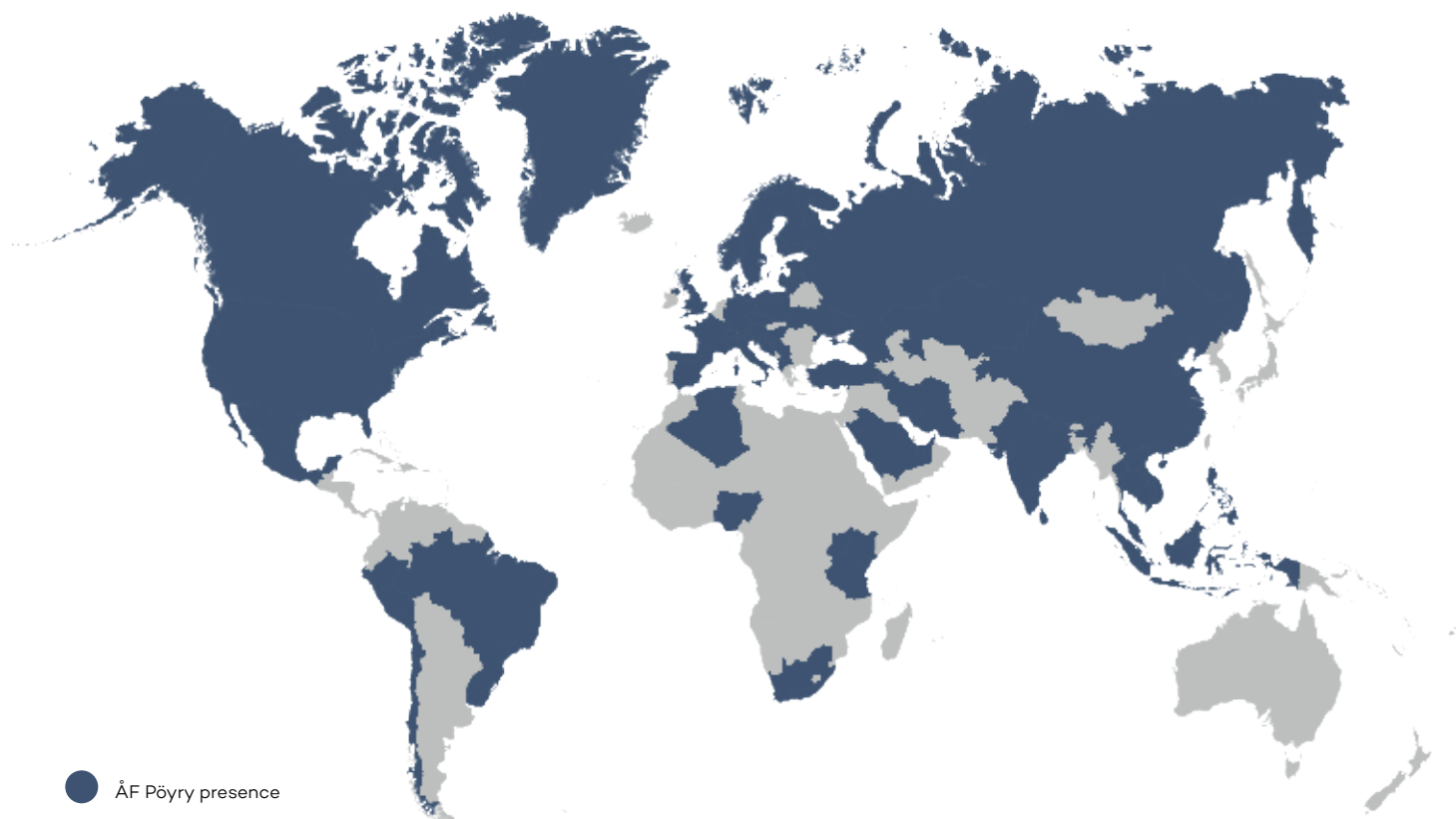
The Nordic region (excluding Iceland) is the base of ÅF Pöyry's operations, but the Group operates in a total of about 50 countries (see the map below). Net sales for ÅF's and Pöyry's respective previous divisions in 2018 are presented below.

NET SALES PER DIVISION 2018

ÅF	Infrastructure	Industry	Energy	Digital Solutions
2018 net sales, SEK million	5,935	4,503	1,552	2,360

Pöyry	Infrastructure	Industry	Energy	Management Consulting
2018 net sales, EUR million	148.9	217.0	143.9	70.2

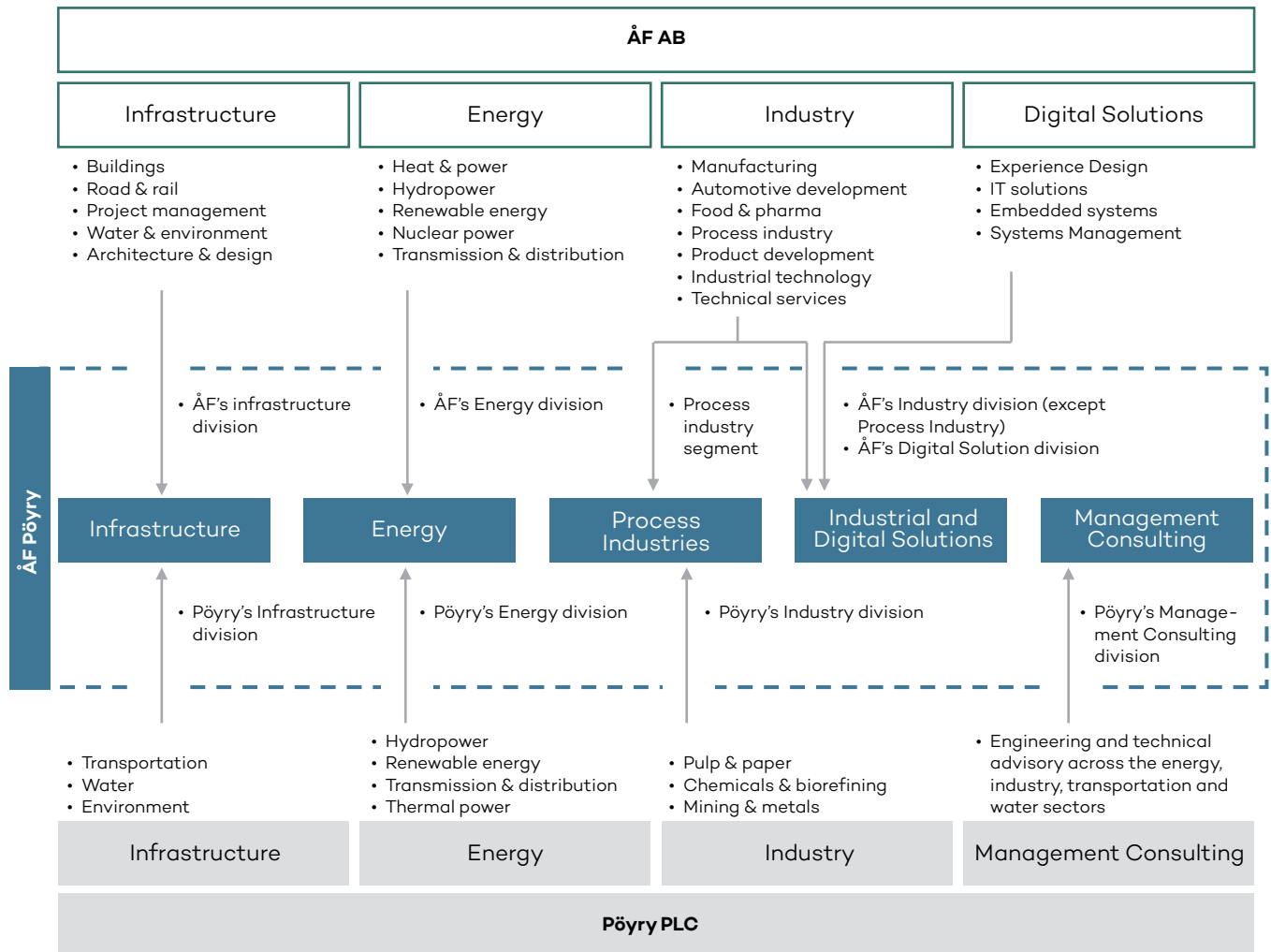
ÅF Pöyry's geographic presence



Divisions






Since 22 February 2019, ÅF Pöyry's operations are conducted through five divisions: Infrastructure, Energy, Process Industries, Industrial and Digital Solutions and Management Consulting. These divisions offer services to multiple industries and sectors. The divisions create sustainable solutions in the infrastructure, industry and energy sectors, and their clients come from both the private and public sectors. The reorganisation of ÅF's and Pöyry's previous divisions to create ÅF Pöyry's new divisions is illustrated below.

Overview of ÅF Pöyry's new divisions



The new divisions are expected to have a strong position in their respective core markets, and in selected segments internationally, in line with the Company's objective to form a leading European engineering, design and consulting company. Taking into consideration that ÅF's and Pöyry's respective previous division structures and the fact that these divisions are largely complementary, the integration of the divisions is expected to be efficient. The heads of ÅF Pöyry's five divisions are listed below.

ÅF Pöyry Division heads

Infrastructure	Industrial and Digital Solutions	Process Industries	Energy	Management Consulting
				
Malin Frenning	Robert Larsson	Nicholas Oksanen	Richard Pinnock	Martin à Porta

Infrastructure Division

Malin Frenning is head of ÅF Pöyry's Infrastructure division, which provides technical solutions for buildings and infrastructure, for example in the areas of road and rail as well as water and environment. The division also operates in the fields of architecture and design. The division's strengths include its in-depth knowledge of sustainable, high-tech solutions.

One example of a project in the Infrastructure division is its partnership with Volvo Cars, where reports on slippery roads are sent in real time to the Swedish Transport Administration (Sw. *Trafikverket*). The project involves all the Volvo cars in Sweden with the Slippery Road Alert system and is intended to gather information on road conditions. The first delivery of anonymised data to the Swedish Transport Administration occurred at the end of 2018. This digital solution allows the Swedish Transport Administration to act faster and more strategically to minimise the time that roadways are slippery during cold weather. The project will run for two years, after which it will be evaluated.

The division has approximately 5,700 employees and operates in the Nordic region and central Europe.

The Infrastructure Division's clients are primarily within the property and urban development sectors. Examples of customers are the Danish Road Directorate (Da. *Vejdirektorat* – the Danish equivalent of the Swedish Transport Administration), SL, the Swedish Transport Administration, Avinor, Volvo Cars, municipalities and county councils.

The Infrastructure division's competitors in the Nordic region include Ramböll, COWI, Sweco, Tyréns, WSP, Multiconsult and Norconsult.

Energy Division

Richard Pinnock is the head of ÅF Pöyry's Energy division, which offers international engineering and consulting services to clients in over 80 countries. In the energy sector, the division has expertise in the transmission and distribution of all types of electricity generated from various types of energy sources, such as water, coal, gas, bio and waste fuels, nuclear power and renewable energy types. The division also has a high level of technical capabilities when it comes to the complex and demanding environmental aspects that come with large energy projects. ÅF Pöyry can offer its clients comprehensive expertise thanks to its ability to cover the entire spectrum of power generation as well as the complete investment life-cycle.

One example of a project in the Energy Division is the assignment from MASDAR, one of the largest renewable energy developers in the Middle East, to serve as Lenders Technical Advisor for a solar energy project in Dubai. The power plant has a capacity of 800 MW and requires an investment of over USD 1 billion. ÅF Pöyry's assignment comprises planning, design, deployment and operation until 2022.

The division has approximately 2,000 employees and operates primarily in the Nordic region, Switzerland and the Czech Republic, but it also operates in other parts of the world such as Southeast Asia.

The division's clients are primarily private organisations, such as companies in the energy industry, as well as financial institutions and investors, but the division also has some clients in the public sector. Its projects often extend over several years and are based on previous experiences from similar assignments. The division has clients all over the world, which requires a local and regional presence. Examples of clients are MASDAR, Vattenfall and GE.

The Energy division's international competitors include Aecom Technology, Amec Plc, Black & Veatch, Fichtner, Lahmeyer International, Jacobs and Worley Parsons.

Process Industries Division

Nicholas Oksanen is head of the Process Industries division, which offers engineering and consulting services, project management and implementation services to clients in the process industry. Its clients primarily come from the forest, chemical and biorefinery industries, as well as the metal and mining industries. The division offers solutions for both new investment projects and reconstructions of existing plants.

In the forest industry, the Process Industries division has comprehensive expertise in the value chain from raw materials to production of end products. This gives the division a solid foundation for helping its clients with investment decisions. In the chemical and biorefinery industries, as well as the metal and mining industries, the division offers flexible, customised solutions that encompass both independent technical consulting and partnership throughout the entire project cycle.

One example of a project in the Process Industries division is the conversion of the global pulp and paper company Sappi's textile pulp plant in South Africa, with the aim of increasing its capacity while drastically reducing emissions and water consumption. The plant is the world's largest producer of dissolving wood pulp, which is used in the textile industry to manufacture viscose – a sustainable alternative to the traditional and environmental-impacting cotton. ÅF Pöyry is responsible for implementing the project, which is one of the Company's largest pulp and paper assignments yet. The project began in 2018 and is expected to run until 2020.

The division consists of approximately 2,500 employees and operates primarily in the Nordic region and South America.

Examples of clients include Stora Enso, BillerudKorsnäs and Sappi.

The Process Industries division's competitors include Cowi, Wood Group and Fluor.

Industrial and Digital Solutions Division

Robert Larsson is head of the Industrial and Digital Solutions division, which conducts engineering operations in the fields of product development and production systems, as well as IT and defence technology. The division is active in all industry sectors and works with both private and public sector clients. The division's technical lines encompass project management, industrial design, mechanical product development, automation, quality assurance and digitalisation services for various industries to develop and connect systems and products and create the society of the future. The services encompass the entire value chain and the assignments may be project-based or end-to-end solutions for a specific function. The division intends to continue developing its Nordic operation and to drive international growth in selected niches such as advanced manufacturing and research and development in the automotive industry.

The digital solutions business is expected to grow both in the industry segment and other segments in which ÅF Pöyry is active. The division makes digitalised industries possible, where innovative solutions based on information technology generate profits along the value chain. Cloud data, big data, robotics, the Internet of Things and AI are some of the technologies that ÅF Pöyry is implementing.

One example of a project in the Industrial and Digital Solutions Division is ÅF Pöyry's and LKAB's joint development of a new sustainable industrial estate in Kiruna. As LKAB's mine

in Kiruna becomes deeper, the area above ground is also affected. In addition to city planning for the entire municipality, a completely new industrial estate for LKAB is being planned elsewhere in the municipality. The assignment encompasses planning the new city of Kiruna as well as building information modelling, 3D visualisation and long-term development of how LKAB's new industrial estate will look over the next 30 years. As part of this assignment, ÅF Pöyry is digitalising the planning and management of the mining operation.

Other projects that the division is implementing include studies of technical and economic consequences of investment decisions, new control systems for a production line in a plant and the integration of production and business systems. A large part of the work consists of optimising and modernising existing production plants, as well as the design and implementation of entirely new plants.

The division has approximately 3,900 employees and operates primarily in the Nordic region. The division also has some exports to areas such as China.

The division's clients come from industries such as the manufacturing, automotive and pharma industries, as well as the telecommunications and public sectors. Examples of clients include LKAB, AB Volvo, Scania, Volvo Cars, AstraZeneca and FMV.

The Industrial and Digital Solutions division's competitors include Rejlers, Semcon, Alten, Magna Steyer, Etteplan, Sweco, HiQ and Sigma.

Management Consulting Division

Martin à Porta is head of the Management Consulting division, which offers strategic and operational advisory services across

the value chain, underpinned by deep expertise and market insights. The core services encompass a wide array of consulting services and include corporate and business strategies; resource, technology and investment strategies; operational and organisational excellence; market insights and modelling; sales and supply chain strategies; M&A and due diligence, as well as innovation management and digitalisation.

The services are primarily aimed at the energy sector, the forest industry and bio-based industries. The division is organised into seven sub-segments that operate in the energy and industrial sectors. The energy sector comprises the following segments: oil and gas, generation and renewables, transmission and distribution, and sales and trading. The industrial sector comprises the following segments: forestry, biomass and wood industry; paper, packaging and hygiene; biorefining and biomaterials.

The division has over 350 consultants in 17 offices across three continents.

The division's clients consist of European energy producers, bioeconomy and forest companies, industrial companies, investment companies, brand owners and governments, as well as regulatory authorities. Examples of clients include RWE, E.ON, Enel and Engie.

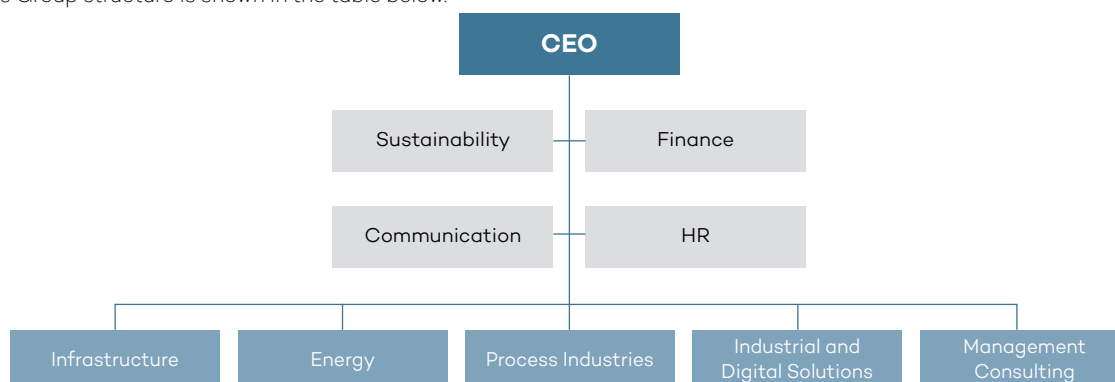
The Management Consulting division's competitors include the major consulting firms such as BCG, Bain, McKinsey, KPMG and PwC, as well as smaller specialist consultancies such as PA Consulting, Oliver Wyman, Baringa, Stepchange and Indufor.

Organisation and employees

Organisation

The Board of Directors has delegated operational responsibility for the Group's administration to the CEO. The CEO leads the business within the framework established by the Board of Directors. The Board of Directors has adopted instructions for the division of duties between the Board of Directors and the CEO, which are updated every year. The CEO has appointed a Group Management with day-to-day responsibility for various operational aspects of the business. The Group Management normally meets once a month to discuss matters such as the Group's financial performance, acquisitions, Group-wide development projects, succession planning and professional development, together with other strategic issues. For information on the Company's Group Management, see "Group Management" in "Board of Directors, Group Management and auditor".

ÅF Pöyry's Group structure is shown in the table below.



Employees

Of ÅF's average of 10,037 employees in 2018, 1.6 per cent worked in Group-wide functions such as accounting, HR and communications.

Number of employees

The table below is a compilation of the average number of FTEs and the total number of employees at the end of the last three financial years.

NUMBER OF FTEs AND TOTAL NUMBER OF EMPLOYEES

	2018	2017	2016
ÅF			
Number of FTEs (average)	10,037	9,292	8,115
Total number of employees (at end of period)	10,928	9,865	9,133
Pöyry			
Number of FTEs (average)	4,700	4,551	4,839
Total number of employees (at end of period)	5,653	5,326	5,387
Total			
Number of FTEs (average)	14,737	13,843	12,954
Total number of employees (at end of period)	16,581	15,191	14,520

Sustainability

Sustainability is an integral part of ÅF Pöyry's vision, business concept and strategy. The four pillars of its strategy, which are listed below, describe the Company's approach to sustainability.

Growth – Pose higher demands for knowledge and strategies to operate in complex markets.

Value creation – Achieved through sustainable solutions and advisory services. ÅF Pöyry contributes to sustainable development by offering cross-functional solutions and concepts, by climbing the value chain and by ensuring that the three dimensions of sustainability (social, environmental and economic) are taken into consideration in projects. Every project is intended to create value for ÅF Pöyry, the client and society.

Organisation – ÅF Pöyry operates in a responsible manner and the Company complies with the principles of the Company's Code of Conduct, which includes the principles of the UN Global Compact. ÅF Pöyry ensures that its business is responsible through its Sustainability Risk Assessment (SRA) processes, as well as its focus on client satisfaction, active climate efforts and long-term sustainable profitability.

People – ÅF Pöyry's most decisive factor for success is its human capital. ÅF Pöyry endeavours to attract employees with drive. Teamwork, diversity and a good working environment are important factors for ensuring that ÅF Pöyry will be able to develop innovative industrywide solutions.

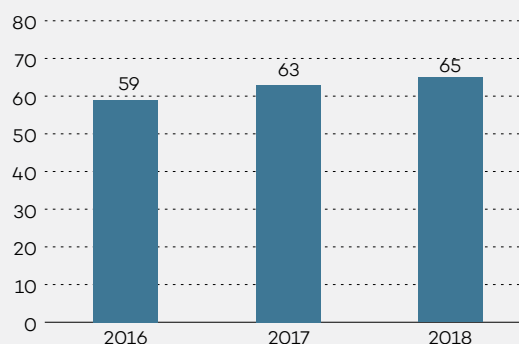
ÅF Pöyry's sustainability efforts are followed up on an annual basis to ensure that they produce results and are going in the right direction. ÅF Pöyry follows up using its proprietary digital management tool Sustainable Business Performance Indicators (SBPI), which it developed in cooperation with the Research Institutes of Sweden (RISE).

The SBPI tool measures ÅF Pöyry's sustainability performance and defines how sustainable ÅF Pöyry is based on measuring points divided into the categories sustainable solutions, responsible business and attractive employer.

ÅF Pöyry analyses its business based on financial and non-financial data and over 60 measuring points that are important to its business. The results show ÅF Pöyry's total sustainability performance on a scale from 0 to 100. The measurement values are comparable from year to year, beginning with 2016. This makes it possible to track ÅF Pöyry's sustainability performance on both the overall and detailed levels. SBPI also makes the connection between various activities and their contribution to sustainability performance visible.

The total result for 2018 was 65, which was an improvement compared with 59 for the first year.

Sustainability performance





Selected consolidated historical financial information

ÅF Pöyry's selected consolidated historical financial information

The below condensed financial statements (as well as measures defined under IFRS) have been derived from ÅF Pöyry's annual reports for the financial years 2016–2018, which have been prepared in accordance with IFRS as adopted by EU and audited by the Company's auditor. For further information, please refer to "Note 1 – Accounting policies" on p. 61 and onwards in ÅF Pöyry's annual report for the financial year 2018.

The prospectus also includes certain measures that are not defined under IFRS (alternative performance measures). These alternative performance measures have not been reviewed or audited by the Company's auditor. ÅF Pöyry believes these measures are commonly used by certain investors, securities analysts and other interested parties as supplementary measures of performance trends and financial position. ÅF Pöyry's alternative performance measures may not be comparable to other similarly titled measures presented by other companies and have certain limitations as analysis tools. Consequently, they should not be considered separately, or as an alternative to ÅF Pöyry's financial information prepared in accordance with IFRS.

The information below should be read in conjunction with "Operating and financial review" and ÅF Pöyry's financial statements for the financial years 2016–2018, which have been incorporated by reference in this prospectus (see "Incorporation by reference, etc." in "Legal considerations and supplementary information"). All financial statements are available on ÅF Pöyry's website, www.afconsult.com.

Other than as stated above and as regards the pro forma financial information (see "Pro forma financial information") and ÅF's forecast for the period January–March 2019 (see "Forecast for the period January–March 2019" in "Capital structure and other financial information"), no information in this prospectus has been reviewed or audited by the Company's auditor.

Condensed consolidated income statement

SEK million	2018	2017	2016
Net sales	13,975	12,658	11,070
Purchases of services and materials	-3,547	-3,192	-2,944
Other external costs	-1,074	-1,066	-917
Personnel costs	-7,996	-7,269	-6,139
Other operating income	-	4	10
Other operating expenses	-	-3	-1
Profit attributable to participations in associates	0	0	0
EBITDA	1,358	1,132	-
Depreciation/amortisation and impairment of non-current assets ¹⁾	-115	-105	-115 ²⁾
EBITA	1,243	1,027	-
Acquisition-related items	-40	6	-
Operating profit (EBIT)	1,203	1,033	965
Profit/loss from financial items			
Financial income	26	16	16
Financial expenses	-125	-92	-58
Net financial items	-99	-76	-42
Profit after financial items	1,103	957	923
Tax	-253	-215	-212
Profit for the period	850	742	711
Attributable to:			
Shareholders in the parent	850	744	726
Non-controlling interest	0	-2	-15
	850	742	711
Attributable to the parent's shareholders			
Basic earnings per share (SEK)	10.98	9.58	9.32
Diluted earnings per share (SEK)	10.76	9.39	9.14

1) Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.

2) In the financial year 2016, the line item "Depreciation/amortisation and impairment of non-current assets" consisted of "Amortisation and impairment of intangible assets" (SEK -48 million) and "Depreciation and impairment of property, plant and equipment" (SEK -67 million).

Condensed consolidated balance sheet

SEK million	As at 31 December		
	2018	2017	2016
ASSETS			
Non-current assets			
Intangible assets	7,166	6,542	5,955
Property, plant and equipment	571	510	476
Participations in associates	0	0	0
Financial investments	673	3	5
Non-current receivables	4	1	1
Deferred tax asset	17	14	24
Total non-current assets	8,432	7,070	6,462
Current assets			
Accounts receivable	3,105	2,721	2,314
Revenue generated but not invoiced	1,096	1,042	944
Current tax assets	13	15	17
Other receivables	144	151	195
Prepaid expenses and accrued income	179	157	146
Cash and cash equivalents	239	223	329
Total current assets	4,776	4,308	3,945
TOTAL ASSETS	13,208	11,378	10,407
EQUITY AND LIABILITIES			
Equity			
Share capital	193	196	197
Other contributed capital	953	1,015	1,104
Reserves	227	124	164
Profits brought forward including profit for the period	4,076	3,637	3,212
Equity attributable to shareholders in the parent company	5,449	4,972	4,677
Non-controlling interest	16	17	19
Total equity	5,465	4,989	4,697
Liabilities			
Loans and credit facilities	2,865	1,559	2,197
Provisions for pensions	141	96	163
Other provisions	15	18	57
Deferred tax liabilities	233	180	140
Other liabilities	464	469	323
Total non-current liabilities	3,718	2,323	2,880
Loans and credit facilities	688	1,199	267
Other provisions	58	105	39
Work invoiced but not yet carried out	368	235	205
Accounts payable	854	716	644
Current tax liability	59	88	91
Accrued expenses and prepaid income	1,231	1,141	1,033
Other liabilities	770	583	552
Total current liabilities	4,026	4,067	2,830
Total liabilities	7,744	6,390	5,710
TOTAL EQUITY AND LIABILITIES	13,208	11,378	10,407

Condensed statement of consolidated cash flows

SEK million	2018	2017	2016
Operating activities			
Profit after financial items	1,103	957	923
Adjustment for items not included in cash flow	47	114	95
Income tax paid	-256	-211	-188
Cash flow from operating activities before changes in working capital	894	861	830
Cash flow from changes in working capital			
Change in operating receivables	-239	-370	-356
Change in operating liabilities	218	133	148
Cash flow from operating activities	874	624	622
Investing activities			
Acquisition of property, plant and equipment	-110	-85	-79
Disposal of property, plant and equipment	4	2	2
Acquisition of intangible assets	-15	-9	-20
Acquisition of operations	-335	-359	-649
Contingent considerations paid and step acquisitions	-39	-74	-220
Acquisition/Disposal of financial assets	-658	1	2
Cash flow from investing activities	-1,153	-525	-963
Financing activities			
Borrowings	1,285	1,048	831
Amortisation of loans	-416	-793	-
Dividend paid (including non-controlling interest)	-387	-350	-292
Share buy-backs/sales	-177	-114	-128
Payout, convertible programme	0	0	-2
Shareholders' contribution received	-	-	2
Cash flow from financing activities	306	-209	411
Cash flow for the period	26	-109	70
Opening cash and cash equivalents	223	329	264
Exchange difference in cash and cash equivalents	-10	3	-5
Closing cash and cash equivalents	239	223	329

Net sales by geographic areas

SEK million	2018	2017	2016
Sweden	10,405	9,504	8,658
Norway	1,301	1,189	1,147
Switzerland	921	891	443
Other countries	1,348	1,073	823
Total	13,975	12,658	11,070

Key operating metrics and data per share

	2018	2017	2016
Return on equity, % ²⁾	16.1	15.4	15.9
Return on capital employed, % ²⁾	14.4	13.6	14.7
Capacity utilisation, % ³⁾	77.2	77.6	77.6
EBITA, SEK m ²⁾	1,243	1,027	— ⁶⁾
EBITA excluding items affecting comparability, SEK m ²⁾	1,268	1,117	— ⁶⁾
EBITA margin, % ²⁾	8.9	8.1	— ⁶⁾
EBITA margin excluding items affecting comparability, % ²⁾	9.1	8.8	— ⁶⁾
EBITDA, SEK m ²⁾	1,358	1,132	1,074
Equity per share, before dilution, SEK ^{2), 4)}	70.42	64.30	60.19
Average number of FTEs ³⁾	10,037	9,292	8,115
Cash flow from operating activities, SEK m ¹⁾	874	624	622
Net debt, SEK m ²⁾	3,455	2,631	2,298
Net debt/EBITDA, rolling 12 months, times ²⁾	2.5	2.3	2.1
Net sales, SEK m ¹⁾	13,975	12,658	11,070
Net debt-equity ratio, % ²⁾	63.2	52.7	48.9
Profit for the period, SEK m ¹⁾	850	742	711
Profit/loss from financial items, SEK m ¹⁾	1,103	957	923
Basic earnings per share, SEK ^{1), 4)}	10.98	9.58	9.32
Diluted earnings per share, SEK ^{1), 5)}	10.76	9.39	9.14
Interest-bearing liabilities, SEK m ²⁾	3,694	2,854	2,627
Operating profit (EBIT) SEK m ²⁾	1,203	1,033	965
Equity ratio, % ²⁾	41.4	43.8	45.1
Total growth, % ²⁾	10.4	14.3	12.4
Acquired growth, % ²⁾	4.1	11.0	9.5
Organic growth, % ²⁾	6.3	3.3	2.9
of which currency effects	-1.1	0.4	-0.2
of which calendar effects (difference in number of working days)	-0.4	-0.3	-
Adjusted/underlying organic growth, % ²⁾	5.6	3.5	— ⁶⁾
Total number of employees (at period-end) ³⁾	10,928	9,865	9,133

1) IFRS measure, audited.

2) Alternative performance measures, not audited (derived from the Company's financial reports).

3) Non-financial measure.

4) Average number of shares before dilution: 2018: 77,396,321; 2017: 77,700,879; 2016: 77,937,176.

5) Average number of shares after dilution: 2018: 80,021,397; 2017: 80,169,882; 2016: 80,220,366.

6) Not reported in 2016.

Definitions of non-IFRS measures

Measure	Definition	Reason for use
Return on equity	Profit/loss after tax in relation to average shareholders' equity (equity brought forward added with equity carried forward divided by two) including non-controlling interests.	The measure shows the Company's profitability in relation to equity (shareholders' equity). The measure is used to assess the Company's ability to generate return on equity and profit.
Return on capital employed	Profit/loss after financial items and restoration of financial expenses (including currency effects, net, excluding discount rate) in relation to capital employed (average balance sheet total (balance sheet carried forward for the five preceding quarters divided by five), less non-interest-bearing liabilities and net deferred tax).	The measure shows the Company's profitability in relation to external financed capital and equity.
EBITA	Operating profit/loss with restoration of acquisition-related items.	EBITA shows profit from operating activities in an acquisition-intensive company to distinguish between operating activities and acquisition-related items. The purpose of the measure is to show the operating activities and earnings of an acquisition-intensive company such as ÅF Pöry. Accordingly, the measure facilitates for investors to distinguish between income statement items relating to operating activities and income statement items relating to acquisition-related activities.
EBITA excluding items affecting comparability	EBITA excluding items affecting comparability. In 2018, items affecting comparability consisted of transaction costs attributable to the acquisition of Pöry. In 2017, items affecting comparability consisted of restructuring costs. In 2016, items affecting comparability consisted of revaluation of contingent considerations, restructuring costs and repayment of pensions.	EBITA excluding items affecting comparability increases comparability of EBITA.
EBITA margin	EBITA in relation to net sales.	EBITA margin is used to measure operating profitability.
EBITA margin excluding items affecting comparability	EBITA margin excluding items affecting comparability. In 2018, items affecting comparability consisted of transaction costs attributable to the acquisition of Pöry. In 2017, items affecting comparability consisted of restructuring costs. In 2016, items affecting comparability consisted of revaluation of contingent considerations, restructuring costs and repayment of pensions.	EBITA margin excluding items affecting comparability allows comparability of operating activities.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	EBITDA is relevant for investors who want to understand earnings before investments in non-current assets.
Equity per share	Equity attributable to the parent company's shareholders relative to total number of outstanding shares before dilution.	Equity per share shows the net asset value of the Company's shares.
Net debt	Interest-bearing liabilities including pension liabilities and accrued interest, less financial assets.	Net debt measures the Group's total indebtedness.
Net debt/EBITDA	Net debt in relation to earnings before interest, taxes, depreciation and amortisation.	Net debt/EBITDA is relevant for showing the Company's ability to repay its debt.
Net debt-equity ratio	Net debt in relation to equity including non-controlling interests.	Net debt-equity ratio is relevant in order to monitor the Company's indebtedness in relation to equity.
Interest-bearing liabilities	Interest-bearing liabilities consist of bank loans, bond loans, commercial paper programme, staff convertibles, financial leasing liabilities and pension liabilities.	The measure is relevant for assessing total utilised interest-bearing debt burden.
Operating profit (EBIT)	Profit/loss before net financial items and tax (earnings before interest and taxes).	EBIT gives a full picture of the earnings of the operating activities.
Equity ratio	Equity including non-controlling interests in relation to balance sheet total.	The measure is relevant as a measure of current self-financing, since it shows what part of the assets that has been financed by equity.
Total growth	Total growth of net sales compared to previous year.	Total growth shows the Company's growth compared to the previous year.
Acquired growth	Yearly growth of net sales of acquired businesses.	Acquired growth shows the acquired part of net sales.
Organic growth	Yearly growth of net sales excluding acquisitions.	Organic growth shows the Company's own accomplished growth excluding acquisitions.
Adjusted/underlying organic growth	Organic growth adjusted for currency effects and calendar effects. In 2018, the currency effects were mainly attributable to fluctuations in NOK, DKK and CHF. In 2017, the currency effects were mainly attributable to fluctuations in NOK and DKK. In 2016, the currency effects were mainly attributable to negative fluctuations in NOK. In 2018, the calendar effects were mainly attributable to one working day less compared to last year. In 2017, the calendar effects were mainly attributable to one working day less compared to last year.	The measure is used to increase comparability of the organic growth between the years excluding currency and calendar effects.

Reconciliation of non-IFRS measures

Return on equity

	2018	2017	2016
Profit for the period, SEK m	850	742	711
Average equity, SEK m	5,227	4,843	4,464 ¹⁾
Return on equity, %	16.1	15.4	15.9

1) Equity brought forward on 1 January 2016: SEK 4,230 million.

Return on capital employed

SEK million	2018	2017	2016
Profit after financial items	1,103	957	923
External interest costs	56	47	33
Interest costs PRI pension guarantee	1	2	2
Currency differences on financial income	-87	-80	-32
Currency differences on financial costs	90	85	33
Currency differences, net	3	5	1
Other financial costs	44	27	10
	1,207	1,038	969
Average balance sheet total	12,063¹⁾	10,835²⁾	9,166³⁾
Current non-interest-bearing liabilities	-3,992	-3,487	-2,580
Current interest-bearing liabilities	1,026	875	298
Non-current non-interest-bearing liabilities	-517	-427	-189
Non-interest bearing liabilities	-3,557	-3,039	-2,471
Deferred tax assets	16	16	19
Deferred tax liabilities	-208	-169	-132
Deferred tax, net	-192	-153	-113
Capital employed	8,388	7,642	6,581
Return on capital employed, %	14.4	13.6	14.7

1) Balance sheet brought forward: Q4 2017: SEK 11,378 million. Q1 2018: SEK 11,623 million. Q2 2018: SEK 12,144 million. Q3 2018: SEK 11,963 million. Q4 2018: SEK 13,208 million.

2) Balance sheet brought forward: Q4 2016: SEK 10,407 million. Q1 2017: SEK 10,718 million. Q2 2017: SEK 10,948 million. Q3 2017: SEK 10,725 million. Q4 2016: SEK 11,378 million.

3) Balance sheet brought forward: Q4 2015: SEK 8,316 million. Q1 2016: SEK 8,696 million. Q2 2016: SEK 9,120 million. Q3 2016: SEK 9,291 million. Q4 2016: SEK 10,407 million.

EBITA and EBITA margin as well as EBITA and EBITA margin excluding items affecting comparability

	2018	2017	2016
Operating profit (EBIT), SEK m	1,203	1,033	965
EBIT margin, %	8.6	8.2	8.7
Acquisition-related items			
Amortisation and impairment of intangible assets, SEK m	41	38	-
Revaluation of contingent considerations/option, SEK m	-2	-44	-
Gains/losses on disposal of companies	1	-	-
EBITA, SEK m	1,243	1,027	-¹⁾
Net sales, SEK m	13,975	12,658	11,070
EBITA margin, %	8.9	8.1	-¹⁾
Items affecting comparability			
Revaluation of contingent considerations, SEK m	-	-	-
Restructuring costs, SEK m	-	-90	-
Repayment of pensions, SEK m	-	-	-
Transaction costs attributable to the acquisition of Pöyry, SEK m	-25	-	-
Adjusted EBITA (EBITA excluding items affecting comparability), SEK m	1,268	1,117	-¹⁾
Net sales, SEK m	13,975	12,658	11,070
Adjusted EBITA margin (EBITA margin excluding items affecting comparability), %	9.1	8.8	-¹⁾

1) Not reported in 2016.

EBITA and EBITA-marginal on segment level

On 1 January 2018, ÅF Pöyry implemented a new organisation structure, whereby the divisions International and Technology were replaced by the divisions Energy and Digital Solutions. This reorganisation affected the financial reporting for all segments. Below are EBITA and EBITA margin on segment level, before and after the reorganisation, respectively, presented.¹⁾ For additional information, please refer to "Segments" in "Operating and financial review".

	Industry			Infrastructure			Energy			Digital Solutions		
	2018	2017	2016 ¹⁾	2018	2017	2016 ¹⁾	2018	2017	2016 ¹⁾	2018	2017	2016 ¹⁾
Operating profit (EBIT), SEK m	383	387	-	638	515	-	69	88	-	236	199	-
EBIT margin, %	8.5	8.9	-	10.8	10.1	-	4.4	6.0	-	10.0	9.7	-
EBITA, SEK m	383	387	-	638	515	-	69	87	-	236	199	-
Net sales, SEK m	4,503	4,371	-	5,935	5,110	-	1,552	1,467	-	2,360	2,046	-
EBITA margin, %	8.5	8.9	-	10.8	10.1	-	4.4	6.0	-	10.0	9.7	-

	Industry			Infrastructure			International			Technology		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Operating profit (EBIT), SEK m	-	433	403	-	461	421	-	111	58	-	185	167
EBIT margin, %	-	8.9	9.1	-	10.0	10.4	-	7.2	5.3	-	9.5	9.3
EBITA, SEK m	-	433	403	-	461	421	-	111	58	-	185	167
Net sales, SEK m	-	4,899	4,437	-	4,616	4,037	-	1,532	1,098	-	1,943	1,793
EBITA margin, %	-	8.9	9.1	-	10.0	10.4	-	7.2	5.3	-	9.5	9.3

1) Comparative figures for 2016 not available.

Net debt, Net debt/EBITDA and Net debt-equity ratio

	As of 31 December		
	2018	2017	2016
Loans and credit facilities, SEK m	3,553	2,758	2,464
Net pension liability, SEK m	141	96	163
Cash and cash equivalents, SEK m	-239	-223	-329
Net debt, SEK m	3,455	2,631	2,298
Operating profit (EBIT), SEK m	1,203	1,033	965
Acquisition-related items, SEK m	40	-6	27
Depreciation/amortisation and impairment of non-current assets, SEK m	115	105	82
EBITDA, SEK m	1,358	1,132	1,074
Net debt/EBITDA, %	2.5	2.3	2.1
Equity, SEK m	5,465	4,989	4,697
Net debt-equity ratio, %	63.2	52.7	48.9

Interest-bearing liabilities

	As of 31 December		
SEK million	2018	2017	2016
Bank loans	630	221	949
Bond loans	1,700	1,200	1,200
Commercial paper programme	640	850	-
Staff convertibles	514	430	274
Financial leasing liabilities	69	56	41
Pensions liabilities	141	96	163
Interest-bearing liabilities	3,694	2,854	2,627

Total and organic growth

%	2018	2017	2016
Total growth	10.4	14.3	12.4
Acquired growth	4.1	11.0	9.5
Organic growth	6.3	3.3	2.9
of which currency effects	1.1	0.4	-0.2
of which calendar effects (difference in number of working days)	-0.4	-0.3	-
Adjusted/underlying organic growth	5.6	3.5	-¹⁾

1) Not reported in 2016.

1) Information derived from the Company's internal reporting system.

Total and organic growth on segment level

On 1 January 2018, ÅF Pöry implemented a new organisation structure, whereby the divisions International and Technology were replaced by the divisions Energy and Digital Solutions. This reorganisation affected the financial reporting for all segments. Below are total and organic growth on segment level, before and after the reorganisation, respectively, presented. For additional information, please refer to "Segments" in "Operating and financial review".

	Industry			Infrastructure			Energy			Digital Solutions		
%	2018	2017 ¹⁾	2016 ¹⁾	2018	2017 ¹⁾	2016 ¹⁾	2018	2017 ¹⁾	2016 ¹⁾	2018	2017 ¹⁾	2016 ¹⁾
Total growth	3.0	-	-	16.1	-	-	5.8	-	-	15.3	-	-
Acquired growth	1.6	-	-	4.3	-	-	2.5	-	-	9.4	-	-
Organic growth	1.4	-	-	11.8	-	-	3.3	-	-	5.9	-	-
of which currency effects	-0.4	-	-	1.5	-	-	2.5	-	-	0.1	-	-
of which calendar effects (difference in number of working days)	0.4	-	-	-0.4	-	-	-0.2	-	-	-0.4	-	-
Adjusted/underlying organic growth	1.4	-	-	10.6	-	-	1.0	-	-	6.2	-	-

	Industry			Infrastructure			International			Technology		
%	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Total growth	-	10.2	7.0	-	14.4	29.7	-	39.5	-6.9	-	8.4	8.5
Acquired growth	-	5.3	4.9	-	11.4	22.1	-	41.0	-0.5	-	3.0	1.6
Organic growth	-	4.9	2.1	-	3.0	7.6	-	-3.7	-7.4	-	5.4	6.9
of which currency effects	-	-	-	-	-	-	-	-	-	-	-	-
of which calendar effects (difference in number of working days)	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/underlying organic growth	-	-²⁾	-²⁾	-	-²⁾	-²⁾	-	-²⁾	-²⁾	-	-²⁾	-²⁾

1) Comparative figures for 2017 and 2016 not available.

2) Not reported on segment level 2017 and 2016.

New accounting policies and changes in report structure

New accounting policies

The process of implementing the new standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers has been completed. They have not had any significant effects on ÅF Pöry's balance sheet and income statement. One effect amounting to SEK 2 million has been recorded as an adjustment to consolidated equity brought forward as of 1 January 2018, as an effect of the implementation of IFRS 9.

The Group applies IFRS 16 Leases as of 1 January 2019. IFRS 16 introduces a uniform lease accounting model for lessees. A lessee recognises a right of use that represents a right to use the underlying asset and a lease liability that represents an obligation to make lease payments. ÅF Pöry applies exemptions for short-term leases and leasing of low-value assets. The interest rate that has been used is set per country and asset class, and as regards the respective contract's lease term. Based on the information available, the Group estimates that it will recognise additional lease liabilities of approximately SEK 2.5 billion (after adjustment for prepayment of leases recognised on 31 December 2018), as well as right of use assets of approximately SEK 2.5 billion. The Group expects operating profit for 2019 to increase compared to if previous accounting policies had been used, since some of the lease costs will be recognised as interest expense. Cash flow from operating activities is expected to increase and from financing activities is expected to decrease, since amortisation of the lease payments will be recognised as a disbursement under financing activities. The Group will apply the modified retrospective method. This means that the accumulated effect of IFRS 16 being introduced will be recognised in the opening balance at 1 January 2019 without restating comparative figures. The right of use assets attributable to previous operational leases will be recognised at the value of the liability on 1 January 2019, with adjustments for advance payments recognised in the balance sheet at 31 December

2018. Existing finance leases recognised in accordance with IAS 17 will be recognised in accordance with IFRS 16 at the amount of their value directly before the transition to the new standard. The Group does not expect the introduction of IFRS 16 to affect its ability to meet the requirements contained in the covenants for the Group. Please also refer to "Changed reporting standards may adversely affect the Group's financial statements" in "Risk factors".

For effects of changes in accounting policies, IAS 8 has been applied. For further information (including transition effects), see "Note 1 – Accounting policies" on p. 61 and onwards in ÅF Pöry's annual report for the financial year 2018.

Changes in report structure

The structure of the consolidated income statement slightly changed for the financial year 2017 compared to previous financial years. The following changes have been made:

- In order to follow up and communicate the Group's operating activities, EBITA was introduced as a line item in the consolidated income statement. EBITA consists of operating profit excluding acquisition-related items. Acquisition-related items refer to amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on disposal of companies and operations. Previously, amortisation and impairment of intangible assets was reported as a line item in the consolidated income statement. As from the financial year 2017, amortisation and impairment of acquisition-related intangible assets has been broken out and is now reported separately under EBITA. Revaluation of contingent considerations, net may either be classified as an income or a cost and has been broken out from either "Other operating income" or "Other operating expenses" and is reported under EBITA. Gains/losses on disposal of companies and operations, net may either be classified as an income or a cost and has been broken out from either "Other operating income" or "Other

operating expenses" and is reported under EBITA. Neither 2016 nor 2017, gains/losses on disposal of companies and operations were reported.

- In connection with the introduction of EBITA as a line item in the consolidated income statement through amortisation and impairment of acquisition-related intangible assets being broken out and separately reported, other depreciation and amortisation of intangible and tangible assets were merged since the remaining parts of amortisa-

tion and impairment of intangible assets was not considered material. As a consequence, EBITDA was introduced as a line item in the consolidated income statement, which corresponds to EBITA excluding depreciation and amortisation of intangible and tangible assets.

For a description of the reorganisation that the Group carried out on 1 January 2018, see "Segment" in "Operating and financial review".

Pöyry's selected consolidated historical financial information

The below condensed financial statements have been derived from Pöyry's annual reviews for the financial years 2016–2018, which have been prepared in accordance with IFRS as adopted by EU and audited by Pöyry's auditor. The information below should be read in conjunction with Pöyry's financial statements for the financial years 2016–2018, which have been incorporated by reference in this prospectus (see "Incorporation by reference, etc." in "Legal considerations and supplementary information"). All financial statements are available on ÅF Pöyry's website, www.afconsult.com.

Statement of comprehensive income

EUR million	2018	2017	2016
Net sales	579.5	522.3	529.6
Other operating income	1.2	0.6	1.3
Materials and supplies	-15.4	-0.1	-1.1
External charges, subconsulting	-55.1	-48.1	-45.5
Personnel expenses	-339.3	-328.6	-351.1
Depreciation and impairment	-4.3	-4.4	-4.6
Other operating expenses	-111.8	-126.7	-136.6
Operating expenses total	-526.0	-507.9	-538.9
Operating result	54.7	15.1	-8.1
Financial income	8.2	1.7	1.3
Financial expenses	-4.9	-5.6	-4.5
Exchange rate differences	-0.4	0.1	0.2
Net financial items	3.0	-3.8	-3.1
Share of associated companies' and joint ventures' results	0.4	0.5	0.5
Result before taxes	58.1	11.8	-10.6
Income taxes	-11.1	-6.1	-2.2
Net result for the period	47.0	5.6	-12.8
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit pension obligation	3.1	21.1	0.5
Income tax relating to these items	-0.7	-4.3	-0.1
Items that may be reclassified to profit or loss:			
Translation differences	-0.3	-10.2	3.2
Total comprehensive income for the period	49.1	12.2	-9.1
Net result attributable to:			
Owners of the parent company	46.9	5.7	-12.5
Non-controlling interest	0.1	0.0	-0.3
Total comprehensive income attributable to:			
Owners of the parent company	49.0	12.3	-8.8
Non-controlling interest	0.1	0.0	-0.3
Earnings/share, EUR	0.75	0.07	-0.24
Corrected with dilution effect	0.75	0.07	-0.24

Statement of financial position

EUR million	2018	2017	2016
Assets			
Non-current assets			
Goodwill	118.7	118.9	122.4
Intangible assets	5.6	7.0	7.2
Tangible assets	6.1	6.0	7.5
Shares in associated companies and joint ventures	2.2	2.1	2.1
Other non-current investments	0.8	0.6	1.0
Deferred tax assets	22.8	27.1	34.1
Pension receivables	0.0	0.1	0.1
Other	2.8	3.4	4.5
	158.9	165.1	178.7
Current assets			
Work in progress	33.7	43.7	58.9
Accounts receivable	103.0	106.3	105.8
Other receivables	10.7	9.5	11.7
Prepaid expenses and accrued income	9.0	11.0	12.8
Current tax receivables	3.0	3.7	4.5
Cash and cash equivalents	103.5	50.7	49.3
	262.9	225.0	243.0
Total assets	421.8	390.1	421.8
Equity and liabilities			
Equity			
Equity attributable to the owners of the parent company			
Share capital	14.6	14.6	14.6
Invested free equity reserve	62.0	62.0	60.1
Hybrid bond	30.0	30.0	30.0
Translation differences	-21.0	-20.7	-10.5
Retained earnings	90.7	43.9	22.7
	176.3	129.8	116.9
Non-controlling interest	0.1	0.1	1.4
Total equity	176.4	129.9	118.3
Non-current liabilities			
Interest bearing non-current liabilities	-	30.0	-
Pension obligations	15.9	18.8	45.0
Deferred tax liabilities	0.4	0.2	0.2
Other non-current liabilities	0.0	0.0	0.1
	16.3	49.0	45.2
Current liabilities			
Amortisations of interest bearing non-current liabilities	-	0.0	2.0
Commercial papers	-	26.8	48.7
Interest bearing current liabilities	0.0	-	30.5
Provisions	10.8	14.8	12.7
Project advances	95.2	62.9	58.2
Accounts payable	15.1	18.5	20.5
Other current liabilities	25.9	24.9	22.7
Current tax payables	6.2	5.3	6.5
Accrued expenses and deferred income	75.8	58.0	56.4
	229.1	211.3	258.3
Total liabilities	245.4	260.2	303.5
Total equity and liabilities	421.8	390.1	421.8

Statement of cash flows

EUR million	2018	2017	2016
Operating activities			
Net result for the period	47.0	5.6	-12.8
Adjustments:			
Share-based expenses	2.0	0.9	-
Depreciation and impairment	4.3	4.4	4.6
Impairment losses from accounts receivable and work in progress	-4.6	4.5	6.0
Gains (-) / losses (+) on sales of shares and fixed assets	-0.2	0.2	0.0
Financial income and expenses	-3.0	3.8	3.1
Income taxes	11.1	6.1	2.2
Changes in working capital:			
Change in work in progress	11.5	9.8	17.3
Change in accounts receivable	5.7	-6.6	-4.7
Change in project advances received	32.0	7.6	-13.5
Change in accounts payable	-3.3	-1.3	-0.7
Change in other receivables and payables	17.2	8.1	-15.5
Paid income taxes	-5.6	-5.0	-3.6
Net cash flow from operating activities	114.1	38.2	-17.7
Investing activities			
Investments in group companies	-	-2.4	-
Investments in fixed assets	-3.4	-3.3	-5.1
Sale of other fixed assets	0.3	0.3	0.2
Received dividends	0.4	0.5	0.6
Net cash flow from investing activities	-2.6	-5.0	-4.3
Net cash before financing	111.4	33.2	-22.0
Financing activities			
New loans	-	30.0	30.0
Repayments of loans	-30.0	-32.0	-35.0
Change in current financing	-27.2	-22.2	10.8
Hybrid bond interest and expenses	-2.3	-2.3	-2.3
Received financial income	8.2	1.5	0.9
Paid financial expenses	-4.8	-4.9	-5.2
Paid dividends	-3.0	0.0	-0.1
Directed share issue related to share-based incentive plan	-	1.9	-
Net cash flow from financing activities	-59.0	-28.0	-0.8
Change in cash and cash equivalents and in other liquid assets	52.5	5.2	-22.8
Cash and cash equivalents and other liquid assets 1 January	50.7	49.3	70.6
Effect of changes in exchange rates	0.3	-3.7	1.4
Cash and cash equivalents and other liquid assets 31 December	103.5	50.7	49.3
Cash and cash equivalents	103.5	50.7	49.3
Cash and cash equivalents and other liquid assets 31 December	103.5	50.7	49.3

Operating and financial review

This operational and financial overview is intended to facilitate the understanding and assessment of trends and changes in the Company's results and financial position. Historical results do not necessarily provide an accurate indication of future results. The information in this section should be read together with "Selected historical financial information" and the financial reports incorporated by reference in the prospectus (see "Incorporation by reference, etc." in "Legal considerations and supplementary information").

Factors affecting ÅF Pöyry's results of operations

ÅF Pöyry's results have been affected, and will continue to be affected by a number of factors, some of which are beyond ÅF Pöyry's control. A description of the principal factors that ÅF Pöyry believes have affected its operating results during the periods covered in this section and which can be expected to further affect ÅF Pöyry's results in the future is presented below.

Macroeconomic factors

Demand for ÅF Pöyry's consulting services depends on the general economic situation within the branches, industries and sectors to which ÅF Pöyry offers its services, which in turn is affected by macroeconomic factors in the countries and regions in which ÅF Pöyry operates, including the growth rate in the global economy, exchange rate fluctuations, interest rate levels and inflation. For further information on the industry-related factors that are expected to affect ÅF Pöyry's results of operations in the future, see "Industry overview".

Project structure and type of consulting agreement

Most of ÅF Pöyry's project undertakings and consulting assignments are carried out on a current account basis, where revenues are recognised when the work is performed, and with clients normally being invoiced the following month. From time to time, ÅF Pöyry also enters into fixed-price agreements and framework agreements with fixed-price components. Revenues from agreements with fixed-price components are reported applying what is referred to as the percentage of completion method, whereby revenues are reported based on the degree of completion. The degree of completion is determined by comparing expenditures incurred at the end of the reporting period with estimated total expenditures. This means that ÅF Pöyry must estimate the proportion of total expenditures that will be incurred at the end of the reporting period. The forecasts for each assignment also constitute an estimate regarding final revenue and expenditures. When ÅF Pöyry enters into agreements with a fixed-price component, the Company also bears the risk that the costs and gross profit realised from such an assignment may differ substantially from the original calculations.

Capacity utilisation, hourly rates and capacity utilisation structure

ÅF Pöyry's profitability is dependent on the Company being able to maintain a high level of capacity utilisation as well as well-considered and optimised hourly rates. A number of factors can affect the capacity utilisation of ÅF Pöyry's employees. These include the expertise and experience levels of the employees who perform services and assignments, the diligence of employees when reporting time spent on assignments, the state of the economy and market conditions within ÅF Pöyry's business areas, as well as the type and size of performed assignments. ÅF Pöyry's profitability is dependent on the Company's ability to provide assignments to its employees and maintain a favourable capacity utilisation structure in which the employees' expertise and availability are utilised in an optimal way. ÅF Pöyry's ability to provide work for its employees depends, in turn, on the Company's ability to forecast the need for labour and to recruit personnel based on anticipated demand from clients, as well as the Company's ability to secure assignments.

Competitive landscape

The consulting services industry is characterised by intense competition for the most attractive assignments and low barriers to entry for smaller assignments. Competitive factors include ÅF Pöyry's expertise and reputation, brand recognition, client relationships and references, as well as pricing. In order to compete effectively, ÅF Pöyry must also implement new technology and continuously adapt and update its services and business model to prevailing technical conditions and trends. The Company's ability to be competitive and win assignments affects its profitability and results of operations.

Exchange rate fluctuations

The Group generates revenues and costs in foreign currency, including EUR, USD and CHF, and is thus exposed to exchange rate changes compared to the Group's reporting currency, SEK. In addition, the Group has certain debts denominated in foreign currency, which means further exposure to exchange rate fluctuations. Through the acquisition of Pöyry (which has EUR as reporting currency), the Group's exposure to exchange rate fluctuations has increased.

Personnel costs

As an engineering, design and consulting company, ÅF Pöyry generates its net sales through the sale of services performed by its employees. Personnel costs are ÅF Pöyry's largest cost item. The primary factors that affect ÅF Pöyry's personnel costs are the competence level and experience of the employees, compensation levels at competitive employers, general economic conditions, agreed salary agreements and the level of taxes, fees and pension. In order to be able to attract employees with the competence and experience required, ÅF Pöyry needs to offer competitive compensation levels. At the same time, ÅF Pöyry's profitability depends on the Company's ability to maintain a balance between chargeable fees and compensation.

Segments

Segment reporting is based on operating segments, which consist of the Group's divisions. On 1 January 2018, the Group implemented a new division structure, which affected the financial reporting for all divisions. The divisions before and after the reorganisation are described below. For a description of the division structure implemented on 22 February 2019 when the acquisition of Pöyry was completed, see "ÅF Pöyry's operations" in "Business description and the acquisition of Pöyry".

Divisions prior to 1 January 2018

Division Industry offered consulting services within product, process and production development to clients in the Nordic region. The division was responsible for all phases of a project, from early stages such as feasibility studies and design, to later stages such as implementation, deployment and follow-ups. The division's areas of expertise included processing, transmission and distribution of electricity, mechanics and pipes, industrial automation and production automation.

Division Infrastructure offered high-tech sustainable solutions for infrastructure development to the Scandinavian market through six business areas: Installation, Road and Rail, Sound and Vibration, Lighting, Project Management and Environment.

Division International comprised all operations outside Scandinavia, and offered engineering and consulting services, primarily in the energy sector but also within infrastructure and industry. The domestic markets were Switzerland, Finland and the Czech Republic, but projects were executed in more than 70 countries. The division was especially strong in thermal power, hydropower and nuclear power.

Division Technology offered digital solutions for product development, communication technology and IT. The division's main market was Sweden and most of the division's assignments were performed in the manufacturing industry, with the automotive industry as the largest sector.

Divisions after 1 January 2018

Division Industry consisted of the previous Industry Division, as well as the international industrial operations of the International Division. The Industry Division offered solutions in product development and process and production systems, with the purpose to improve clients' profitability. The Industry Division was active in all industrial sectors, and its technical disciplines included process design, project management, industrial design, engineering calculations, mechanical product development, design and testing, industrial IT, automation, electric power, pipeline construction, quality assurance and validation, as well as inspection. The services included the entire process, from early

stages such as feasibility studies and design to later stages such as implementation, deployment and monitoring.

The Infrastructure Division consisted of the previous Infrastructure Division, as well as the international infrastructure operations of the International Division. The division offered design and technical solutions for buildings and infrastructure. The division primarily operated within five business areas: Buildings, Road and Rail, Project Management, Water and Environment, and Architecture and Design.

The Digital Solutions Division consisted mainly of the operations of the Technology Division, as well as a new business area within industrial design from the Industry Division. The division offered consulting services in IT and defence technology, and it had a strong position in integrated systems and telecommunications. The division had a complete service offering across the entire value chain, and its assignments were either project-based or full-service assignments for a specific function.

The Energy Division consisted of the Scandinavian energy business from the previous Industry Division together with the energy operations in Switzerland, Finland, the Czech Republic and other international energy operations. The division offered international engineering and consulting services to clients in over 80 countries. The division's offering included energy transfer and distribution, as well as all types of power stations for different energy sources, such as water, coal, gas, bio and waste fuels, nuclear power and renewables.

Description of income statement items

Net sales

Most of the Company's assignments are performed on a current account basis, according to which revenue is recognised when the work is performed, and clients are normally invoiced the following month. When assignments are carried out on a fixed-price basis, revenue is recognised in the income statement based on the stage of completion at the end of the reporting period. The stage of completion of an assignment is determined by comparing the expenditure at the end of the reporting period with estimated total expenditure. If it is probable that the total contract costs for an assignment will exceed the total income for the assignment, the entire amount of the expected loss is recognised immediately as a cost. Revenue is not recognised if it is probable that the economic benefits will not go to the Group.

Purchases of services and materials

Purchases of services and materials consists primarily of costs for the Company's partner network, as well as subcontractors and subconsultants with which the Company works on projects in order to provide complete project organisations. Costs for materials consist primarily of components used in construction in various projects as well as IT costs for both hardware and software.

Personnel costs

Personnel costs comprise the basic salary and remuneration to the Board of Directors, other benefits, pension costs and social security contributions. Base pay comprises a fixed basic salary, pension and other reimbursements. Other benefits refer to a company car where applicable. Personnel costs also include costs for training, recruitment, collective agreement costs and travel reimbursements.

Other external costs

Other external costs include costs for operating and finance leases. Costs for operating leases are recognised in the income statement on a straight-line basis over the lease term. Benefits received in connection with signing a lease are recognised as part of the total lease cost in profit or loss. Contingent rents are expensed in the periods in which they arise.

Minimum lease payments are apportioned between interest expense and a reduction of the outstanding liability. The interest expense is spread over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rents are expensed in the periods in which they arise.

Other operating income and expenses

Other operating income refers primarily to government subsidies and exchange gains, while other operating expenses refers primarily to exchange losses and capital losses on divestments of non-current assets.

Depreciation, amortisation and impairment of non-current assets

The Group's property, plant and equipment consists primarily of equipment, tools, fixtures and fittings, land and buildings. They are depreciated on a straight-line basis over the asset's useful life (except for land, whose useful life is considered unlimited). An asset's residual value and useful life are assessed annually. The carrying amounts of property, plant and equipment are tested at the end of each reporting period to assess whether there is any indication of impairment needs.

Acquisition-related items

To improve analysis between periods, acquisition-related items are reported separately. Acquisition-related items refers to the depreciation, amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on divestment of companies and operations. Impairment tests on goodwill are carried out annually, in the fourth quarter, or when there are indications that an impairment loss has arisen. Amortisable acquisition-related intangible assets are amortised on a straight-line basis over their useful lives, unless the period is undetermined.

Financial income and expense

Financial income and expense consists of interest income on bank balances and receivables, interest expense on loans, borrowing costs, dividend income and exchange differences on loans.

Interest income on receivables and interest expense on liabilities are calculated using the effective interest method. The interest component of finance lease payments is recognised in profit or loss by applying the effective interest method. Interest income includes accrued transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity.

Borrowing costs are charged to profit and loss for the period to which they refer. Costs arising when raising a loan are divided over the maturity of the loan based on the recognised liability.

Tax

Income tax consists of current tax and deferred tax. Income tax is recognised in profit and loss unless the underlying transaction

is recognised in other comprehensive income, in which case the tax effect is recognised in other comprehensive income.

Current tax is the tax payable or recoverable in respect of the current year, based on the tax rates enacted or substantively enacted at the end of the reporting period, including adjustments of current tax in respect of prior periods.

Deferred tax is calculated in accordance with the balance sheet method, starting from temporary differences between the carrying amount and the value for tax purposes of assets and liabilities. The measurement of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax rules enacted or substantively enacted at the end of the reporting period.

2018 compared to 2017

Figures in parentheses refer to the corresponding period in the previous year.

Net sales and earnings

Net sales

In 2018, net sales amounted to SEK 13,975 million (12,658). Growth was 10.4 (14.3) per cent. Organic growth was 6.3 (3.3) per cent. Adjusted for currency and calendar effects, organic growth was 5.6 (3.5) per cent. The year contained one working day less than last year.

Net sales for the Industry Division amounted to SEK 4,503 million (4,371). Growth was 3.0 per cent, of which 1.4 percentage points were organic. Adjusted for calendar and currency effects, organic growth was 1.4 per cent.

Net sales for the Infrastructure Division amounted to SEK 5,935 million (5,110). Growth was 16.1 per cent, of which 11.8 percentage points were organic. Adjusted for calendar and currency effects, organic growth was 10.6 per cent. Underlying strong demand, primarily in the buildings segment, contributed to the high growth rate during the year.

Net sales for the Energy Division amounted to SEK 1,552 million (1,467). Growth was 5.8 per cent, of which 3.3 percentage points were organic. Adjusted for calendar and currency effects, organic growth was 1.0 per cent.

Net sales for the Digital Solutions Division amounted to SEK 2,360 million (2,046). Growth was 15.3 per cent, of which 5.9 percentage points were organic. Adjusted for calendar and currency effects, organic growth was 6.2 per cent. The high organic growth was during the year driven by strong demand and the Company's ability to deliver full-service solutions for the entire development chain from design and requirements, to architecture, development and testing.

Operating expenses

Operating expenses amounted to SEK 12,617 million (11,526). Purchases of services and materials amounted to SEK 3,547 million (3,192). Other external costs amounted to SEK 1,074 million (1,066). Personnel costs amounted to 7,996 million (7,269).

EBITDA

EBITDA amounted to SEK 1,358 million (1,132).

Depreciation, amortisation and impairment of non-current assets

Depreciation, amortisation and impairment of non-current assets amounted to SEK 115 million (105).

EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 1,268 million (1,117) and the EBITA margin was 9.1 (8.8) per cent. EBITA amounted to SEK 1,243 million (1,027), and the EBITA margin was 8.9 (8.1) per cent.

Items affecting comparability amounted to SEK 25 million (90) and refer to transaction costs attributable to the acquisition of Pöyry. Items affecting comparability in 2017 amounted to SEK 90 million and concerned restructuring costs.

EBITA for the Industry Division amounted to SEK 383 million (387), and the EBITA margin was 8.5 (8.9) per cent.

EBITA for the Infrastructure Division amounted to SEK 638 million (515), and the EBITA margin was 10.8 (10.1) per cent. Growth and improved profits in Norway are the primary reasons for the profitability improvement. EBITA for 2017 was affected by a downward adjustment of the pension liability in the Swiss operations, amounting to SEK 12 million.

EBITA for the Energy Division amounted to SEK 69 million (88), and the EBITA margin was 4.4 (6.0) per cent. The Nordic business reported growth and stable margins, while the international business reported weaker results.

EBITA for the Digital Solutions Division amounted to SEK 236 million (199), and the EBITA margin was 10.0 (9.7) per cent.

Operating profit (EBIT) and acquisition-related items

Operating profit (EBIT) amounted to SEK 1,203 million (1,033). The difference between EBIT and EBITA consists entirely of acquisition-related items that do not affect cash flow in the form of amortisation of acquisition-related assets amounting to SEK 41 million (38) and the change in assessments of future contingent considerations amounting to SEK 2 million (44).

Financial items

Net financial items for the period amounted to SEK -99 million (-76). Interest expense has increased due to increased indebtedness and an increase in the average term to maturity of the loan portfolio. Net financial items were also charged with one-off financing costs linked to the acquisition of Pöyry of SEK 15 million. Net financial items were charged with discount rates related to contingent considerations, which do not affect cash flow, amounting to SEK 16 million (17).

Profit after financial items

Profit after financial items amounted to SEK 1,103 million (957).

Tax

Tax for the year amounted to SEK 253 million (215), which corresponds to an effective tax rate of 22.9 (22.5) per cent.

Profit for the period

Profit for the period after tax amounted to SEK 850 million (742). Basic earnings per share was SEK 10.98 (9.58).

Cash flow and financial position

As at 31 December 2018, the Group's net debt amounted to SEK 3,455 million. As at 1 January 2018, the Group's net debt amounted to SEK 2,631 million, generating an accumulated increase in net debt of SEK 823 million.

Net debt increased through dividends paid of SEK 387 million, repurchase of shares of SEK 177 million, acquisition of shares in Pöyry of SEK 657 million, investments in non-current assets of SEK 121 million and considerations paid, including contingent considerations, of SEK 374 million. Cash flow from operating

activities amounted to SEK 874 million (624) and reduced net debt by the same amount.

Cash flow from investing activities amounted to SEK -1,153 million (-525), while cash flow from financing activities amounted to SEK 306 million (-209). Cash flow for the period amounted to SEK 26 million (-109).

As at 31 December 2018, the Group's cash and cash equivalents amounted to SEK 239 million (223) and unutilised credit facilities amounted to SEK 7,841 million (1,498). The items included credit facilities to finance the acquisition of Pöyry. Equity per share was SEK 70.42 (64.30). The equity ratio was 41.4 per cent (43.8). Equity amounted to SEK 5,465 million (4,989).

2017 compared to 2016

Figures in parentheses refer to the corresponding period in the previous year.

Net sales and earnings

Net sales

In 2017, net sales amounted to SEK 12,658 million (11,070). Growth amounted to 14.3 (12.4) per cent. Organic growth was 3.3 (2.9) per cent. Underlying organic growth was 3.5 per cent after adjustments for that the period had one less working day than the previous year and currency effects.

Net sales for the Industry Division amounted to SEK 4,899 million (4,437). Growth was 10.2 (7.0) per cent, of which 4.9 percentage points (2.1) were organic. Increased industrial digitalisation and demand for automation solutions by the division's clients, as well as high demand from the automotive and food and pharma industries contributed to the Industry Division's growth in 2017.

Net sales for the Infrastructure Division amounted to SEK 4,616 million (4,037). Growth was 14.4 (29.7) per cent, of which 3.0 percentage points (7.6) were organic. Growth was adversely affected by the transition from several large to mostly small- and medium-sized projects, but was positively affected by strong developments in other areas. High demand in the road and rail segment, as well as the architecture and buildings segments, contributed to growth in the Infrastructure Division in 2017. Several acquisitions were carried out during the year, including the acquisition of architectural firm Koncept Stockholm with more than 70 employees to strengthen the Company's position in architecture and design. Koncept Stockholm operates in the premium segment for commercial clients in the hotel-restaurant, retail and office sectors.

Net sales for the International Division amounted to SEK 1,532 million (1,098). Growth was 39.5 (-6.9) per cent, of which -3.7 percentage points (-7.4) were organic. Acquired growth amounted to 41.0 per cent and relates to AF Toscana. A contributing factor to the negative organic growth in the International Division was a weak energy market in Europe due to low electricity prices and limited investments in conventional power generation plants. However, this was partially offset by a strong market for cogeneration plants based on renewable fuels, driven by the need for district heating and the trend towards adaptation to the circular economy.

Net sales for the Technology Division amounted to SEK 1,943 million (1,793). Growth was 8.4 (8.5) per cent, of which 5.4 (6.4) percentage points were organic. As part of the Company's strategic focus on digitalisation and design, the Company acquired inUse with around 100 employees. Growth in the division was driven by a strong market for digital solutions due to increased digitalisation in all of the Company's sectors. In addition,

demand from the defence sector also increased due to the security policy situation prevailing at the time.

Operating expenses

Operating expenses amounted to SEK 11,526 million (9,997).¹⁾ Purchases of services and materials amounted to SEK 3,192 million (2,944). Other external costs amounted to SEK 1,066 million (917). Personnel costs amounted to SEK 7,269 million (6,139).

EBITDA

EBITDA amounted to SEK 1,132 million (1,074).

Depreciation, amortisation and impairment of non-current assets

Depreciation, amortisation and impairment of non-current assets amounted to SEK 105 million (82).

EBITA

Adjusted for items affecting comparability, EBITA amounted to SEK 1,117 million (996), and the EBITA margin was 8.8 (9.0) per cent. EBITA amounted to SEK 1,027 million (992), and the EBITA margin was 8.1 (9.0) per cent.

Items affecting comparability amounted to SEK 90 million (4) and consisted of costs for a restructuring programme. Annual savings effects of SEK 40 million were realised in the latter part of 2017, thus contributing SEK 10 million to profit for the year.

EBITA for the Industry Division amounted to SEK 433 million (403), and the EBITA margin was 8.9 (9.1) per cent.

EBITA for the Infrastructure Division amounted to SEK 461 million (421), and the EBITA margin was 10.0 (10.4) per cent. Weak performance in the acquired Norwegian company Reinertsen, now called ÅF Engineering AS, and the transition from several large projects to medium-sized projects had a negative impact on the Infrastructure Division's margin.

EBITA for the International Division amounted to SEK 111 million (58), and the EBITA margin was 7.2 (5.3) per cent. A positive contributing factor to the results was an adjustment to the pension liability in Switzerland of SEK 12 million due to changed conditions for a pension plan.

EBITA for the Technology Division was SEK 185 million (167), and the EBITA margin was 9.5 (9.3) per cent.

Operating profit (EBIT) and acquisition-related items

Operating profit (EBIT) amounted to SEK 1,033 million (965). The difference between EBIT and EBITA consists entirely of acquisition-related items that do not affect cash flow in the form of amortisation of acquisition-related assets amounting to SEK 38 million (33) and the change in assessments of future contingent considerations amounting to SEK -44 million (-6).

Financial items

Net financial items amounted to SEK -76 million (-42). Interest expense increased due to increased borrowing. In addition, net financial items was charged with increased costs for discount rates related to contingent considerations, which do not affect cash flow, amounting to SEK 17 million (3).

Profit after financial items

Profit after financial items amounted to SEK 957 million (923).

Tax

Tax for the year amounted to SEK 215 million (212), which corresponds to an effective tax rate of 22.5 (23.0) per cent.

Profit for the period

Profit after tax amounted to SEK 742 million (711). Basic earnings per share was SEK 9.58 (9.32).

Cash flow and financial position

As at 31 December 2017, the Group's net debt amounted to SEK 2,631 million. As at 1 January 2017, the Group's net debt amounted to SEK 2,298 million, generating an accumulated increase in net debt of SEK 333 million.

Net debt increased through dividends paid of SEK 350 million, repurchase of shares of SEK 114 million and considerations paid, including contingent considerations, of SEK 433 million. Cash flow from operating activities amounted to SEK 624 million (622) and reduced net debt by the same amount.

Cash flow from investing activities amounted to SEK -525 million (-963), while cash flow from financing activities amounted to SEK -209 million (411). Cash flow for the period amounted to SEK -109 million (70).

As at 31 December 2017, the Group's cash and cash equivalents amounted to SEK 223 million (329) and unutilised credit facilities amounted to SEK 1,498 million (939). Equity per share was SEK 64.30 (60.19). The equity ratio was 43.8 (45.1) per cent. Equity amounted to SEK 4,989 million (4,697).

1) Includes other operating income (government subsidies) of SEK 4 million for 2017 and SEK 3 million for 2016.

Capitalisation, indebtedness and other financial information

Capitalisation and indebtedness

Capitalisation

Set forth below is ÅF Pöry's capitalisation as of 31 December 2018.

SEK million	31 December 2018
Total current debt	4,026
Guaranteed	–
Secured ¹⁾	36
Unguaranteed/unsecured	3,990
Total non-current debt	3,718
Guaranteed	–
Secured	–
Unguaranteed/unsecured	3,718
Shareholders' equity	5,465
Share capital	193
Legal reserves	47
Other reserves	5,225

1) The Company has pledged a property in Switzerland as security for a credit commitment.

Net indebtedness

Set forth below is ÅF Pöry's net indebtedness as of 31 December 2018.

SEK million	31 December 2018
(A) Cash	225
(B) Cash equivalents	0
(C) Trading securities	14
(D) Liquidity (A)+(B)+(C)	239
(E) Current financial receivables	–
(F) Current bank debt	100
(G) Current portion of non-current debt ¹⁾	500
(H) Other current financial debt	87
(I) Current financial debt (F)+(G)+(H)	687
(J) Net current financial indebtedness (I)-(E)-(D)	448
(K) Non-current bank debt	1,140
(L) Bonds issued	1,200
(M) Other non-current loans	667
(N) Non-current financial indebtedness (K)+(L)+(M)	3,007
(O) Net financial indebtedness (J)+(N)	3,455

1) Consists of bonds of SEK 500 million issued under the Group's MTN programme. Please refer to "MTN programme" below.

On 21 February 2019, ÅF's acquisition of Pöry closed following approvals from relevant competition authorities had been received and all other conditions in the public offer been fulfilled. The total purchase price for the acquisition amounts to approximately SEK 6,406 million.¹⁾ The acquisition was financed through utilisation of the bridge financing of in total EUR 637 million that ÅF entered into on 7 December 2018 (see "Bridge financing for the acquisition of Pöry" below for information on repayment, etc.).

On 21 February 2019, the Board of Directors of ÅF Pöry resolved on a directed share issue to certain former major shareholders in Pöry of 6,576,866 new shares of class B to a subscription price of SEK 184.03 per share. The proceeds from the directed share issue amounted to approximately SEK 1,210 million.

Contingent liabilities

A contingent liability is recognised when there is a potential obligation relating to past events whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or the amount cannot be measured reliably.

As of 31 December 2018, the Group's contingent liabilities amounted to SEK 272 million. The contingent liabilities primarily consisted of property mortgages and guarantee commitments. Guarantee commitments refer primarily to performance guarantees for tenders and the completion of projects. The contingent liabilities are not capitalised.

1) See note 4 to "Condensed consolidated pro forma balance sheet as of 31 December 2018" in "Pro forma financial information" for information about currency conversion.

Credit facilities and loans

The table below shows ÅF Pöry's principal credit facilities and loans as of 31 December 2018.

Credit facility	Currency	Facility size, SEK m	Utilised, SEK m	Available, SEK m	Year due
Revolving Credit Facility 2014	SEK	1,000	500	500	2019 ¹⁾
Revolving Credit Facility 2017	SEK	1,000	0	1,000	2021
Bond loans 2015–2020	SEK	700	700	0	2020
Bond loans 2016–2019	SEK	500	500	0	2019
Commercial paper programme	SEK	1,000	640	360	2020
Medium Term Notes (MTN)	SEK	3,000	500	2,500	2023
Overdraft facility	SEK	500	64	436	2019

1) The facility was refinanced in connection with ÅF's public tender offer to acquire all issued and outstanding shares in Pöry, whereby the maturity was extended until 7 December 2021 with possible additional extension.

For a description of the bridge financing that the Company entered into in connection with the acquisition of Pöry, please refer to "*Bridge financing of the acquisition of Pöry*" below. ÅF Pöry has also issued convertibles to the staff, which are described under "*Staff convertible programme*" in "*Share capital and ownership structure*". ÅF Pöry's leased assets and its leasing costs are described in "*Property, plant and equipment*" below.

Financing agreements and other loans

Revolving credit facilities

ÅF Pöry has two syndicated revolving credit facilities; Revolving Credit Facility Agreement 2014 and Revolving Credit Facility Agreement 2017, of SEK 1,000 million each. The facilities are provided in equal parts by Svenska Handelsbanken and SEB.

In connection with ÅF's public tender offer to acquire all issued and outstanding shares, Revolving Credit Facility Agreement 2014 was refinanced to ensure underlying available credit facilities for the Company's other financing. Through the refinancing, the maturity was extended until 7 December 2021 with possible additional extension.

Revolving Credit Facility Agreement 2017 was entered into in connection with the establishment of a commercial paper programme (see "*Commercial paper programme*" below) to ensure underlying available credit facilities for the commercial paper programme. As of the date of this prospectus, the facility has not been utilised. Revolving Credit Facility Agreement 2017 is due on 27 April 2021.

The two credit facilities contain certain financial covenants that need to be achieved in order to maintain the loans and to avoid an increased borrowing cost. The most important covenant is net debt/operating profit (EBITDA). In 2018, all covenants were achieved by a good margin. ÅF Pöry has secured the right to waive certain relevant terms in the credit facilities for three measurement periods from the acquisition date of Pöry.

Senior unsecured bonds

ÅF Pöry has issued two senior unsecured bonds with tenors of five and three years, respectively. The bonds are listed on Nasdaq Stockholm.

On 5 May 2015, ÅF Pöry issued a senior unsecured bond loan of in total SEK 700 million. The bond loan runs with a variable interest of three months STIBOR +115 base points and a tenor of five years. The bond loan is due on 12 May 2020.

On 4 March 2016, ÅF Pöry issued a senior unsecured bond loan of in total SEK 500 million. The bond loan runs with a variable interest of three months STIBOR +135 base points and a tenor of three years. The bond loan was due on 21 March 2019. In short term, ÅF Pöry intends to refinance the bond loan through existing limits within ÅF Pöry's other financing. However, in the second part of 2019, ÅF Pöry intends to return to the bond market.

Commercial paper programme

During the second quarter of 2017, ÅF Pöry established a commercial paper programme with an overall sum of SEK 1,000 million. The Revolving Credit Facility Agreement 2017 has a refinancing reserve component for issued commercial papers (see "*Revolving credit facilities*" above).

As of 31 December 2018, ÅF Pöry had issued commercial papers in the amount of SEK 640 million. The programme allows for ÅF Pöry to issue commercial papers in a total amount of SEK 1,000 million with a tenor of 12 months.

MTN programme

In May 2018, ÅF AB established a Swedish Medium Term Note programme with a framework amount of SEK 3 billion. The MTN programme allows ÅF Pöry to issue notes on the Swedish market and is a supplement to the other financing structure.

On 13 June 2018, ÅF Pöry issued a senior unsecured bond loan under the MTN programme of in total SEK 500 million. The bond loan runs with a variable interest of three months STIBOR +125 base points and a tenor of five years with final due date on 20 June 2023.

Overdraft facility

ÅF Pöry has overdraft facilities amounting to SEK 500 million. The overdraft facility is regularly utilised within the scope of the Company's ordinary business.

Bridge financing for the acquisition of Pöry

To finance the acquisition of Pöry, the Company has secured full debt financing from Svenska Handelsbanken and SEB. The debt financing agreement was entered into on 7 December 2018 and its availability was conditional upon customary conditions within ÅF Pöry's control and the acquisition of Pöry being carried out. The debt financing for the acquisition consists of the following facilities; (i) bank loan of EUR 96 million, which is due within 36 months; (ii) a bridge facility of EUR 193 million, which is due within 24 months (intends to be repaid by capital market debt); and (iii) a bridge facility of EUR 348 million, which is due within 12 months (in all cases calculated as from 7 December 2018). The bridge facility of EUR 348 million has partly been repaid with the net proceeds from the directed share issue that was resolved on 21 February 2019 by SEK approximately 1,210 million. The remaining amount is intended to be repaid by the net proceeds from the forthcoming rights issue.

Working capital statement

It is ÅF Pöry's assessment that the Company's working capital (i.e., excluding proceeds from the forthcoming rights issue) is not sufficient for the present requirements during the next twelve months since ÅF Pöry, within 12 months from 7 December

2018, needs to repay bridge financing of approximately EUR 348 million, which during a transitional period finances the purchase price for ÅF's acquisition of Pöyry. The total purchase price for the acquisition amounts to approximately SEK 6,406 million. For further information about the bridge financing, see "Bridge financing for the acquisition of Pöyry" above. In this context, working capital refers to ÅF Pöyry's ability to access liquid resources in order to meet liabilities as they fall due.

ÅF Pöyry has partly repaid the bridge financing with proceeds from the directed share issue that was resolved on 21 February 2019, and intends to repay the remaining part through the proceeds from the forthcoming rights issue. Through the shareholders ÅForsk, Handelsbanken Fonder, Corbis, the Fourth Swedish National Pension Fund, EQT, Procurator, Mariatorp and Wipunen, ÅF Pöyry has received subscription commitments to subscribe for respective pro rata shares of the rights issue, which, in aggregate correspond to 32.2 per cent of the rights issue. Furthermore, Swedbank Robur and other shareholders have declared their intention to subscribe for their respective pro rata share of the rights issue, corresponding to 11.8 per cent of the rights issue. The subscription commitments and declarations of intent total 44.0 per cent of the rights issue. However, the subscription commitments are not secured. See "The commitments are not secured" in "Risk factors". For additional information about the subscription commitments and the declarations of intent, see "Subscription commitments, etc." in "Legal considerations and supplementary information".

If the rights issue, notwithstanding these subscription commitments and declarations of intent, does not generate a sufficient amount to repay the bridge financing, ÅF Pöyry may have a working capital deficiency of up to SEK 1,800 million as at 7 December 2019. If this should occur, ÅF Pöyry may have to seek alternative financing, such as additional share capital or other bank financing, for the outstanding amount or may be forced to renegotiate the terms of the bridge financing. It is ÅF Pöyry's assessment that the outlook of finding alternative financing is good, if deemed necessary. If ÅF Pöyry does not succeed in obtaining alternative financing or in reaching an agreement regarding the bridge financing, it could ultimately mean that ÅF Pöyry needs to review its organisational structure or dispose parts of its business.

Capital expenditures

ÅF Pöyry's total capital expenditures during the financial years 2016–2018 are summarised in the table below. The capital expenditures principally comprise equipment and tools.

SEK million	2018	2017	2016
Equipment, tools, fixtures and fittings	151	123	103
Land and buildings	0	0	-
Total	151	123	103

Current and future capital expenditures

The Company is continuously making capital expenditures in furniture, security equipment and vehicles. The capital expenditures are in line with the historical capital expenditures, geographically equally distributed over the operations in line with the geographic distribution of net sales, and is financed through existing financing structure.

In 2018, the Company took a principle decision to invest in a new enterprise system adapted for ÅF Pöyry's business. Although a decision about what enterprise system ÅF Pöyry will invest in has not been taken, the investments are expected to be significant in relation to the current capital expenditures. The

majority of the costs for the system will be capitalised as assets and impaired during the useful live.

Acquisitions

Acquisitions are an important part in ÅF Pöyry's growth strategy. ÅF Pöyry's acquisitions of operations carried out during the financial years 2016–2018 are set forth below. For additional information about acquisitions, see "Note 3 – Acquisition of operations" on page 69 in ÅF Pöyry's annual report for 2018. For a description of the acquisition of Pöyry, see "Acquisition of Pöyry" in "Business description and the acquisition of Pöyry".

2018

In 2018, ÅF took over all shares in Gottlieb Paludan Architects A/S, Arcad Architects SA, Samtanke AB, Konsultbolag1 AB, Facilia AB, Effekt i Varberg AB, Mometo AS, LBP AG, Profil-Bau Industrial Oy, P.A.P. A/S and IFEC Ingegneria SA. The acquired companies added approximately 485 employees. None of the acquisitions were substantial.

2017

In 2017, ÅF took over all the shares in AB Teknoplan, Midtconsult A/S, Quality Engineering Group AB, Vatten & Miljöbyrå i Sverige AB, Teroc AB, Cecon AB, Koncept Stockholm AB, Eitech AB Automation, KIAB Konsult & Installationstjänst AB, Light Bureau Ltd, InUse Experience AB and Digifex AB. The acquired companies added approximately 500 employees. None of the acquisitions were substantial.

2016

In 2016, ÅF took over all shares in Alteco AB, ÅF Reinertsen Deal Sverige AB, Erstad & Lekven Oslo AS, ÅF Reinertsen AS, Sandellsandberg AB, Optiman Projektleidelse AS, Traffic Team A/S, Ingenjörprojekt Sverige AB, Sjöland & Thysélius AB, Solid Engineering AS, AF-Aries SA, AF Toscano AG and carried out an asset acquisition of Reinertsen Oil & Gas along with two small businesses in Sweden. The acquired businesses added approximately 1,380 employees. None of the acquisitions were substantial.

Property, plant and equipment

Property, plant and equipment are recognised as assets in the balance sheet if it is probable that future economic benefits will flow to the Company, and that the cost of the item can be measured reliably. Property, plant and equipment are recognised in the consolidated financial statements at cost less accumulated depreciation and any impairment losses. Cost is defined as the purchase price plus any additional expenses directly attributable to the asset. Property, plant and equipment, which consist of parts with different useful lives are treated as separate components of property, plant and equipment. The carrying amount of an asset is derecognised from the balance sheet on retirement or disposal or when no future economic benefits are expected to flow from the use or retirement/disposal of the asset. The gain or loss arising on the disposal or retirement of an asset is the difference between the disposal proceeds and the carrying amount less direct costs to sell. The gain or loss is recognised under other operating income/expense.

As of 31 December 2018, ÅF Pöyry's property, plant and equipment amounted to SEK 571 million, mainly comprising equipment, tools, fixtures and fittings as well as land and buildings. As of 31 December 2018, leased assets amounted to SEK 69 million. Leasing fees amounted to SEK 18 million during 2018.

As of 31 December 2018, no significant assets were pledged for property, plant and equipment.

Intangible assets

The Group's intangible assets arise primarily from acquired businesses. These acquired intangible assets consist largely of goodwill, since the main value of consulting companies lies in their human capital, the expertise of their employees. Other intangible assets identified in connection with the acquisitions include client relationships. Goodwill has been allocated to cash-generating units. Impairment tests on goodwill are carried out annually, during the fourth quarter, or when there are indications that an impairment need has arisen, by discounting the anticipated future cash flow by a weighted average cost of capital per cash-generating unit. The present value of the cash flows, the value in use, is compared with the carrying amount including goodwill and other intangible assets. Forecasts used in respect of future cash flows are based on the forecast approved by Group Management for the next year supplemented by an individual assessment of a further four years. From that point on, the calculation is based on an annual growth rate of two per cent. The forecasts are based on previous experience, internal judgements and external sources of information. The most important variable is operating margin, which is affected by hourly rate, capacity utilisation, payroll expenses and number of employees. No reasonable changes in the assumptions for these variables would lead to impairment. The weighted average cost of capital is based on assumptions about average interest rates on 10-year government bonds, as well as company-specific risk factors and beta values. The forecast cash flows have been discounted to present value. Please also refer to *"Goodwill impairment may adversely affect ÅF Pöry's results of operations and financial position"* in *"Risk factors"*.

As of 31 December 2018, ÅF Pöry's intangible assets amounted to SEK 7,166 million.

Financial exposure and risk management

The Group's overall financial risk management policy is intended to reduce financial risks at a cost that is reasonable for ÅF Pöry. The aim is to ensure cost-effective financing while minimising the negative effects of market fluctuations on consolidated profit/loss. Derivative instruments are used to hedge some risk exposure. The Group's risk management is handled centrally by the Group Treasury Department based on policies adopted by the Board of Directors. The Treasury Department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Group is exposed to different kinds of financial risk through its operations, including exchange rate risk, interest rate risk, credit risk and financing risk.

Financing and liquidity risks

The financing risk faced by the Group is the risk of not being able to raise new loans or refinance existing ones on acceptable terms. For ÅF Pöry, prudent management of financing risk means having adequate cash and cash equivalents and committed credit lines. The Group has credit facilities at banks, but also finances itself in the capital market through commercial paper and bond loans. The Group is also exposed to liquidity risk, which is defined as the risk that it will not be able to meet its immediate payment obligations.

Responsibility for the Group's financial transactions and risks is handled centrally by the Treasury Department, which implements the policy set by the Board of Directors. There is a routine in place to ensure the availability of appropriate lines of credit at

all times. ÅF Pöry's policy is that net debt in relation to EBITDA shall be 2.5 over time. In accordance with the current policy, the Group is to have cash and cash equivalents and unutilised credit facilities that together correspond to at least six per cent of annual sales.

Interest risk

Interest rate risk is the risk that changes in interest rates may have a negative impact on the Group's net interest income/expense and cash flow.

ÅF Pöry's exposure to interest rate risk relates chiefly to outstanding external loans. Under the current policy, ÅF Pöry raises loans both at fixed and variable interest, but the average fixed-interest period must not exceed 12 months. If necessary, ÅF Pöry can use interest rate swaps to achieve the desired average duration. Of the Group's borrowings as at 31 December 2018, loans at floating interest rates comprised 100 per cent of all borrowings, but 47 per cent of the loans were converted at a fixed interest rate through interest rate swaps. A change in the average annual interest rate on these loans of +/- 1 per cent would, in 2018, have affected ÅF's interest expense by +/- SEK 21 million.

Exchange rate risk

Exchange rate risk refers to changes in exchange rates, which have a negative impact on the consolidated income statement, balance sheet and cash flow. Exchange rate risk covers future business transactions, recognised assets and liabilities in foreign currency, and net investments in foreign operations. Exchange rate risk can be split into transaction exposure and translation exposure. Transaction exposure is the net of operating and financial inflows and outflows in foreign currencies. Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency.

ÅF Pöry's transaction exposure is relatively limited, as the majority of sales and expenses are invoiced in local currencies. In accordance with current policy, payment flows in foreign currencies are hedged when it is possible to determine the amount and time of the transaction with a great degree of certainty, and in cases where the future payment flow is anticipated to exceed a value of EUR 100,000.

ÅF Pöry's largest operational transaction exposures involve the currency pairs EUR/SEK, USD/SEK and EUR/CHF. An unhedged currency fluctuation of 10 per cent in these currencies would, in 2018, have affected ÅF's operating profit by SEK 5.3 million, SEK 1.4 million and SEK 1.3 million, respectively.

The Group generates revenues and costs in foreign currency and is thus exposed to exchange rate changes compared to the Group's reporting currency, SEK. Based on the conditions prevailing in 2018, an isolated strengthening of the SEK exchange rate by 5 per cent in respect of earnings denominated in a currency other than SEK would have, on an annual basis, adversely affected ÅF's annual results by SEK 12.4 million. Results of subsidiaries are recalculated to SEK based on the average rate for the relevant period. In line with Group policy, ÅF Pöry does not hedge translation exposure. In connection with larger acquisitions, the translation exposure may be hedged by raising loans denominated in the same currency as the corresponding net assets.

Credit risk

ÅF Pöyry's commercial and financial transactions give rise to credit risks in respect of counterparties. Credit risk or counterparty risk is the risk of loss in the event that the counterparty does not fulfil its obligations.

The credit risk consists of outstanding accounts receivable and uninvoiced consulting assignments. This risk is limited through ÅF Pöyry's highly effective credit policy. All new clients are vetted for creditworthiness and project services are invoiced on a pay-as-you-go basis to minimise the risk of bad debts. ÅF Pöyry's ten largest clients, which account for a total of 25 per cent of the Group's sales, are all large international companies or publicly owned institutions and companies. The remaining 75 per cent of net sales is spread over many clients.

Significant changes since 31 December 2018

On 21 February 2019, ÅF's acquisition of Pöyry closed following approvals from relevant competition authorities had been received and all other conditions in the public offer been fulfilled.

At the Extraordinary General Meeting on 16 January 2019, the Board of Directors was authorised to resolve, with deviation from the preferential right for the Company's shareholders, on the issue new shares of class B to certain former major shareholders of Pöyry. In accordance with the authorisation from the Extraordinary General Meeting, the Board of Directors resolved, on 21 February 2019, to carry out the directed share issue of class B. Please also refer to "Share information" in "Share capital and ownership structure".

At the Extraordinary General Meeting on 16 January 2019, the Board of Directors of ÅF Pöyry was authorised to resolve on the forthcoming rights issue of shares of class A and B. ÅF Pöyry's Board of Directors resolved, on 20 March 2019, in accordance with said authorisation, to increase the Company's share capital through the forthcoming rights issue of shares of class A and B.

Significant trends

The transition to reducing climate impact and the global urbanisation and digitalisation trends continue to drive demand for sustainable solutions in all of ÅF Pöyry's operations.

The general market trend and demand remained good in first quarter 2019, and was largely unchanged compared with the previous quarter. Demand in the industrial sector for digitalisation, electrification and automation remains strong. The need for investments in infrastructure in the Nordic region and Switzerland, which are ÅF Pöyry's most important markets, continues to drive demand in both commercial and public buildings and road & rail, as well as in niche areas such as architecture and design. The energy market is in a process of transformation, and the Company sees stable demand for its services in the Nordic region. There is also stable demand on the global energy market. However, ÅF Pöyry's international energy operations were affected by the changes currently underway within division Energy.

Pöyry's net sales for the first quarter 2019 are expected to be higher than the corresponding period 2018. Pöyry's operating profit (not including the effects of IFRS 16), excluding acquisition costs and other items affecting comparability, for the first quarter 2019 is expected to be significantly higher than the corresponding period 2018. Pöyry is consolidated in ÅF Pöyry's consolidated accounts as from 28 February 2019.

Forecast for the period January–March 2019

ÅF Pöyry announced, on 27 March 2019, the following information about estimated outcome for the period January–March 2019.

Excluding Pöyry, ÅF's net sales for the first quarter 2019 are expected to be higher than net sales for the corresponding period 2018, whereas EBITA (not including the effects of IFRS 16), excluding acquisition costs and other costs affecting comparability, is expected to be in line with EBITA for the corresponding period 2018.

The information is considered to constitute a forecast according to article 2(10) in the Prospectus Regulation (EC) No. 809/2004.

The information above concerning net sales and EBITA (not including the effects of IFRS 16 items affecting comparability and acquisitions costs) for the first quarter 2019 is based on the Group's annual report for the financial year 2018 and ÅF Pöyry's internal accounting and represents the Group's preliminary assessment of its expected net sales and EBITA (not including the effects of IFRS 16 items affecting comparability and acquisitions costs) for the first quarter 2019. The forecast constitutes a forward-looking statement, see "Forward-looking statements" in "Important information".

Material accounting policies

The forecast for the period January–March 2019 has been compiled in accordance with accounting policies that in all material aspects are consistent with the accounting policies applied by the Group (excluding IFRS 16), which are stated in the consolidated financial statements for the financial year 2018.

Assumptions for the forecast

The main assumptions for ÅF Pöyry's forecast for the period January–March 2019 are set forth below:

Factors over which ÅF Pöyry has influence or control

- Execution of ongoing projects in accordance with plan for the first quarter 2019, including fulfilment of sub-targets.
- Governance and staffing of assignments as regards invoiceable consultants working at external clients.
- Cost development in line with the Group Management's expectations.

Factors beyond ÅF Pöyry's influence or control

- No material changes in macroeconomic factors affecting ÅF Pöyry or its existing and potential clients will occur.
- No material changes as regards the public sector's infrastructure investments, investment budgets or investment decisions will occur.
- No material changes as regards incoming new projects or assignments compared to ÅF Pöyry's estimates will occur.
- No material changes in ÅF Pöyry's competitive environment will occur.
- No material changes in ÅF Pöyry's clients' obligations, ability or willingness to fulfil their obligations in relation to ÅF Pöyry compared to ÅF Pöyry's expectations will occur.
- No material changes in ÅF Pöyry's subconsultants' or subcontractors' ability to deliver products or services in accordance with ÅF Pöyry's expectations will occur.
- No changes in currency rates, interest rates or tax rules or other laws and regulations that would have a significant impact on ÅF Pöyry's business, tax position or accounting policies will occur.

Auditors' report on forecast

This is a literal translation of the Swedish original report included in RevR 5

To the Board of Directors in ÅF Pöyry AB, corporate identity number 556120-6474

We have audited how the forecast set out on page 74 in ÅF Pöyry's prospectus dated 27 March 2019 has been prepared.

The Board of Directors' and the CEO's responsibility

It is the Board of Directors' and the CEO's responsibility to prepare the forecast, together with the material assumptions upon which it is based, in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex 1 item 13.2 of the Prospectus Regulation (EC) No 809/2004. We are not required to, nor do we, express an opinion on the possibility of achievement of result or on the assumptions on which the preparation of the forecast is based. We do not accept any responsibility for any financial information previously reported on and used in the compilation of the forecast beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of ÅF Pöyry in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work included an evaluation of the procedures undertaken by the Board of Directors and the CEO in compiling the forecast and the accounting policies used when compiling the forecast compared to those policies adopted by the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the forecast has been compiled based on the basis stated on page 74.

Since the forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast. Differences may prove to be material.

Opinion

In our opinion the forecast has been compiled on the basis stated on page 74 and in accordance with the accounting policies applied by the company.

Stockholm, 27 March 2019

KPMG AB

Joakim Thilstedt

Authorised public accountant

Pro forma financial information

Background and purpose of the pro forma financial information

On 10 December 2018, ÅF and Pöyry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöyry for an offer price of EUR 10.20 per share, corresponding to a total value of EUR 611 million. Acquisition of shares has been carried out as follows:

- On 21 February 2019, ÅF had, through the public tender offer and acquisitions made directly on the stock market, acquired in total approximately 99.0 per cent of the outstanding shares in Pöyry.
- On 14 March 2019, ÅF acquired an additional 0.2 per cent of the shares in Pöyry through the public tender offer.

ÅF Pöyry has initiated a compulsory redemption proceeding in respect of the remaining outstanding shares in Pöyry, constituting approximately 0.7 per cent. After the compulsory redemption has been carried out, all shares in Pöyry will have been acquired.

The consideration for all shares in Pöyry has consisted of, and will consist of, payment in cash. On 21 February 2019, ÅF Pöyry's Board of Directors resolved on a directed share issue to certain former major shareholders in Pöyry. The proceeds from the directed shares issue were used to repay parts of the bridge financing for the acquisition.

The Board of Directors of ÅF Pöyry resolved on 20 March 2019, in accordance with the Extraordinary General Meeting's authorisation on 16 January 2019, to carry out another share issue with preferential rights for the Company's existing shareholders in order to use the proceeds from the rights issue to repay additional parts of the loan financing with equity. Neither the proceeds from, nor the transaction costs relating to, the forthcoming rights issue have been considered in the pro forma financial information. The pro forma financial expenses have been calculated based on that the financing and indebtedness that might have existed had not taking into account the forthcoming rights issue.

The acquisition of Pöyry, the loan financing incurred in relation to the acquisition of Pöyry and the directed share issue that was resolved on 21 February 2019 are deemed to have a significant and direct effect on ÅF Pöyry's future results of operations, financial position and cash flows.

The purpose of the pro forma financial information is to present an illustrative overview of the effects the acquisition of Pöyry, the loan financing (incurred in relation to the acquisition of Pöyry) and the carried out directed share issue might have had on

- ÅF's consolidated income statement for 2018 as if the acquisition of Pöyry had been carried out as at 1 January 2018; and
- ÅF's consolidated balance sheet as of 31 December 2018 as if the acquisition of Pöyry had been carried out as of this date.

The pro forma financial information is solely meant to describe a hypothetical situation and has been prepared for illustrative purposes only to inform about, and illustrate, facts, and is therefore not intended to show the financial position or results during the period, as if the above events had occurred on the mentioned dates. Furthermore, the pro forma financial information does not show the financial position or the results of operations as of a future date. This should be taken into consideration in case of a potential investment decision.

Synergies and integration costs have not been considered in the pro forma financial information. The pro forma financial information has been prepared with the sole purpose of being presented in this prospectus. The pro forma financial information should be read in conjunction with the other information in this prospectus.

Basis for the pro forma financial information

The pro forma income statement and the pro forma balance sheet have been based on ÅF's and Pöyry's consolidated income statements and consolidated balance sheets, respectively, that are included in ÅF Pöyry's and Pöyry's audited annual reports for the financial year 2018, respectively, which are incorporated by reference in this prospectus (see "*Incorporation by reference, etc.*" in "*Legal considerations and supplementary information*"). Both companies apply IFRS as adopted by the EU in their consolidated financial reports.

The basis for the preparations of the pro forma financial information is consistent with the accounting policies as they are described in ÅF Pöyry's annual report for the financial year 2018. See "*Note 1 – Accounting policies*" on p. 61 and onwards in ÅF Pöyry's annual report for the financial year 2018.

Pöyry's income statement has been converted from EUR to SEK with application of an average EUR/SEK exchange rate of 10.2567 for 2018 (according to Riksbanken, Sweden's central bank). Pöyry's balance sheet has been converted from EUR to SEK with application of a EUR/SEK exchange rate of 10.2753 as of 31 December 2018 (according to Riksbanken).

Pro forma adjustments

Pro forma adjustments are described in more detail in the notes to the pro forma income statement and pro forma balance sheet. The following description is of a more general nature.

Consideration and preliminary acquisition analysis

After the acquisition of Pöyry completed on 21 February 2019, ÅF Pöyry owned 99 per cent of all shares in Pöyry.

A preliminary acquisition analysis regarding the acquisition of Pöyry has been prepared. Pöyry was consolidated in ÅF Pöyry's consolidated accounts as from 28 February 2019. ÅF Pöyry has consolidated 100 per cent of Pöyry and has recognised a liability pertaining to shares that not yet have been acquired. In the pro forma financial information, this liability is calculated

based on the shares that had not been acquired as of 21 February 2019.

The consideration for all outstanding shares acquired in Pöyry has, in the preliminary acquisition analysis, been based on the offer price of 10.20 EUR per share in the tender offer. The consideration in the preliminary acquisition analysis has been estimated to SEK 6,406 million. See note 4 to “*Condensed consolidated pro forma balance sheet as of 31 December 2018*” below for information about currency conversion.

In the preliminary acquisition analysis, the fair value has been allocated to the acquired group's identifiable assets and liabilities. The difference between the consideration and the fair value of the acquired group's identifiable assets and liabilities is recognised as goodwill in ÅF Pöyry's consolidated balance sheet. Goodwill is not impaired. Instead, an impairment test of goodwill is carried out.

The difference between the fair value and the carrying amount for the acquired group's identifiable assets and liabilities is entitled surplus values and negative surplus values. Adjustments for identified surplus values have been made in the pro forma balance sheet. Surplus values have been allocated to client relationships and outstanding orders in the preliminary acquisition analysis.

Adjustments in the pro forma income statement have been made for amortisation of client relationships and outstanding orders. Deferred tax attributable to identifiable surplus values have been considered in the pro forma financial information.

Directed share issue

The pro forma adjustment for the directed share issue has increased the equity attributable to shareholders in the parent company, corresponding to the proceeds received in SEK. Furthermore, current loans and credit facilities have been reduced by the corresponding amount.

Financing

The acquisition of Pöyry, carried out on 21 February 2019, has been financed by:

- bridge facilities of EUR 193 million with a maturity of 12 months, with possible extension for ÅF of an additional 6 plus 6 months;
- a bank loan of EUR 96 million with a maturity of 36 months; and
- a bridge facility of EUR 348 million with a maturity of 6 months, with possible extension for ÅF of an additional 6 months.

The facilities have been drawn partly in EUR, partly in SEK. The proceeds from the directed share issue have been used to repay part of the bridge facility of EUR 348 million. After the repayment, the utilised liabilities for the above facilities amounted to EUR 192 million and SEK 3,085 million. The utilised liabilities refer to shares acquired in the tender offer and refinancing of debt relating to shares acquired directly on the stock market.

The pro forma adjustment for increased interest costs has been calculated as if the shares in Pöyry had been acquired, the credit facilities were utilised and the proceeds from the directed share issue had been received and used as repayment as of 1 January 2018. The interest costs for the facilities have been calculated based on a base interest rate for each currency plus margins. The interest costs in the pro forma income statement 2018 have been based on the base interest rate as of 21 February 2019.

In connection with the acquisition of Pöyry that was completed on 21 February 2019, the credit facility that was used to finance the shares in Pöyry that were acquired directly on the stock market was refinanced. An adjustment has been made in the pro forma income statement for the refinancing of these facilities by add-back of the reported interest costs in 2018 and increase of interest costs based on that the new financing would have been available and utilised during the entire 2018.

The liabilities pertaining to shares that, as of 21 February 2019, had not been acquired, amount to SEK 62 million in the pro forma balance sheet. The interest costs for this liability has not been recognised in the pro forma income statement.

A pro forma adjustment has been made for increased financial expenses pertaining to pro forma results of loan covenants levels for the existing financing of ÅF during 2018 that could have been recognised in the income statement in 2018 if the acquisition and financing of Pöyry had been considered.

A so called ticking fee has been issued based on the level of available, not utilised, credit facilities. Furthermore, ÅF has entered into a EUR/SEK currency option agreement to hedge part of the consideration. The costs for the ticking fee and option premium have been accrued and expensed in 2018 and 2019. These costs have not been recognised in the pro forma income statement since they, if the acquisition had been carried out as of 1 January 2018, would have been recognised during the financial year 2017. The costs have, however, been considered in the pro forma balance sheet.

Loan processing fees have been accrued over the maturity term for each loan and recognised as financial expenses in the pro forma income statement. The pro forma balance sheet presents the financing after deduction of the accrued loan processing fees, which has reduced loans and credit facilities.

Pöyry's financing consists partly of a hybrid bond with a nominal amount of EUR 30.0 million. The hybrid bond has been classified as equity in Pöyry's consolidated financial statements. Financial expenses pertaining to the hybrid bond have been recognised as other comprehensive income. On 21 February 2019, Pöyry announced that the hybrid bond was to be redeemed. The hybrid bond was redeemed on 25 March 2019 for EUR 30.9 million, corresponding to 103 per cent of the nominal amount. The repayment was financed through Pöyry's cash and cash equivalents. An adjustment has been made in the pro forma balance sheet for the repayment of the hybrid bond through a reduction of cash and cash equivalents and equity attributable to shareholders in the parent company. No adjustment pertaining to the hybrid bond has been made in the pro forma income statement.

Tax has been considered in the pro forma adjustments.

Transaction costs

Transaction costs relating to the acquisition of Pöyry mainly refer to fees paid to financial and legal advisers as well as consultants. These costs are not recognised in the pro forma income statement since they are reported in the period before the acquisition. The transaction costs have, however, been considered in the pro forma balance sheet.

Accounting policies

An analysis has been made of Pöyry's accounting policies. ÅF and Pöyry use different formats and principles to classify income statements and balance sheet line items. When preparing the pro forma income statement and the pro forma balance sheet, Pöyry's income statement and balance sheet have been aligned with ÅF's format and classification of income statement and balance sheet line items.

Otherwise, no material differences in the accounting policies of ÅF Pöyry and Pöyry have been identified and no adjustment has been made in the pro forma financial information.

Tax

Deferred tax liabilities and deferred tax income pertaining to surplus values and amortisation of surplus values in the acquisition analysis have been calculated with a tax rate in the range of 19–34 per cent. Other tax adjustments have been calculated with application of a tax rate in Sweden of 22 per cent and in Finland of 20 per cent. Tax attributable to Finland only relate to Pöyry's long-term incentive program.

Other adjustments and information

Pöyry has a long-term incentive program that has been classified as an equity-settled incentive program. In connection with ÅF's acquisition of Pöyry, the incentive program was changed due to a change of control clause, which resulted in the classification being changed to a cash-settled incentive program. A liability regarding the cash-settled incentive program, which reduced equity attributable to shareholders in the parent company, was as of 21 February 2019 recognised on Pöyry's balance sheet. A corresponding adjustment has been made in the pro forma balance sheet. An adjustment for the incentive program has been made in the pro forma income statement 2018, where reported personnel costs and related tax in Pöyry have been added-back. Furthermore, an adjustment has increased the personnel costs to an amount corresponding to the calculated costs for the twelve month period after the reclassification of the cash-settled incentive program. An adjustment has reduced tax.

Condensed consolidated pro forma income statement for the financial year 2018

SEK million	ÅF ¹⁾	Pöry ²⁾	Pro forma adjustment	Note	Pro forma
Net sales	13,975	5,943	0		19,918
Purchases of services and materials	-3,547	-158	0		-3,705
Other external costs	-1,073	-565	25	⁵⁾	-1,614
Personnel costs	-7,996	-3,480	-28	⁶⁾	-11,504
Other operating income	0	12	0		12
Other operating expenses	-1	-1,147	0		-1,148
Profit attributable to participations in associates	0	4	0		4
EBITDA	1,358	610	-3		1,965
Depreciation/amortisation and impairment of non-current assets*	-115	-44	0		-159
EBITA	1,243	565	-3		1,806
Acquisition-related items	-40	0	-198	⁴⁾	-238
Operating profit (EBIT)	1,203	565	-201		1,567
Profit/loss from financial items					
Financial income	26	85	0		110
Financial expenses	-125	-54	-69	³⁾	-249
Net financial items	-99	31	-69		-138
Profit after financial items	1,103	596	-270		1,429
Tax	-253	-114	65	⁷⁾	-302
Profit for the period	850	482	-205		1,127
Attributable to:					
Shareholders in the parent	850	481	-205	^{3), 4), 6), 7)}	1,126
Non-controlling interest	0	1	0		1

* Depreciation/amortisation and impairment of non-current assets refers to property, plant and equipment and intangible non-current assets excluding intangible non-current assets related to acquisitions.

1) Derived from ÅF Pöry's annual report for the financial year 2018.

2) Based on Pöry's annual review 2018 and aligned with ÅF's income statement format. Pöry's income statement has been recalculated from EUR to SEK with application of an average EUR/SEK exchange rate of 10.2567 for 2018 (according to Riksbanken).

3) The pro forma adjustment for interest costs regarding the financing of the acquisition of shares in Pöry through the public tender offer on 21 February 2019 of SEK 5,657 million, reduced for the proceeds from the directed share issue of SEK 1,210 million, resulting in outstanding loans, net of SEK 4,447 million has increased financial expenses by SEK 59 million and reduced profit before tax with an equivalent amount. The adjustment has reduced tax by SEK 13 million. The adjustments are recurring. Interest costs have been calculated based on utilisation of credit facilities of EUR 192 million and SEK 2,418 million, as if the acquisition of Pöry had been carried out, and the proceeds from the directed share issue had been received as of 1 January 2018. Recalculation of the interest costs in EUR to SEK has been made by application of an average exchange rate for 2018 of 10.2567 (according to Riksbanken). In connection with the acquisition of Pöry, the credit facility used to finance the shares in Pöry that were acquired directly on the stock market was refinanced. An adjustment has been made in the pro forma income statement 2018 for the refinancing of these facilities by add-back of the existing interest costs during 2018, and increase of the interest costs based on that the new financing would have been available and utilised during the entire 2018. The net of these adjustments has increased financial expenses by SEK 7 million and reduced profit before tax with an equivalent amount. The adjustment has reduced tax by SEK 1 million. The adjustments are recurring. The average interest rate that has been used to calculate the interest costs for the acquisition of Pöry including the refinancing of the credit facility that was used to finance the acquisition of the shares in Pöry that were made directly on the stock market amount to 1.35 per cent. A pro forma adjustment has increased financial expenses by SEK 4 million relating to pro forma results of covenant levels for the existing financing in ÅF during 2018 that could have been recognised in the income statement in 2018 if the acquisition and financing of Pöry had been considered. The results before tax have been reduced with an equivalent amount. The adjustments have reduced tax by SEK 1 million. The adjustments are recurring. The pro forma income statement for the financial year 2018 has been adjusted by a reduction of financial expenses of SEK 15 million relating to the ticking fee and the option premium for the hedging agreement, since these costs, if the acquisition of Pöry had been carried out as of 1 January 2018, would have been recognised during the financial year 2017. The taxable profit has increased with an equivalent amount, and the adjustment has increased tax by SEK 3 million. The adjustments are non-recurring. The pro forma adjustment for loan processing fees have increased financial expenses by SEK 14 million and reduced profit before tax with an equivalent amount. The adjustment has reduced tax by SEK 3 million. The loan processing fees have been accrued over the maturity term for each loan. The adjustments are recurring. See also "Financing" above.

4) Adjustments have been made for amortisation of client relationships and outstanding orders that have been identified in the preliminary acquisition analysis. The amortisation is linear over the estimated utilisation periods of 1.1 and 10 years, respectively, which has resulted in an adjustment of SEK 198 million. The adjustment has reduced tax by SEK 44 million. The adjustments are recurring.

5) The pro forma income statement for the financial year 2018 has been adjusted with a reduction of other external costs relating to transaction costs, totalling SEK 25 million since they, if the acquisition of Pöry had been carried out as of 1 January 2018, would have been recognised during the financial year 2017. The adjustment is non-recurring. Since transaction costs do not affect the taxable results, no pro forma adjustment is made for tax.

6) Pro forma adjustments pertaining to reclassification from an equity-settled to a cash-settled incentive program due to a change of control clause in the terms of Pöry's long-term incentive program have been made. Adjustments have been made by add-back of the reported personnel costs totalling SEK 20 million and related tax for Pöry in 2018 totalling SEK 4 million. Furthermore, adjustments have increased personnel costs by SEK 48 million, which corresponds to the estimated costs for the cash-settled incentive program during the twelve month period after the reclassification of the incentive program, and reduced tax by SEK 10 million. The adjustments are recurring.

7) Deferred income tax pertaining to amortisation of surplus values in the acquisition analysis totalling SEK 44 million has been calculated with application of tax rates in the range of 19–34 per cent. Other tax adjustments that have decreased tax by SEK 21 million refer to tax pertaining to the pro forma adjustments in note 3 and 6, and have been calculated with a tax rate in Sweden of 22 per cent and in Finland of 20 per cent.

Condensed consolidated pro forma balance sheet as of 31 December 2018

SEK million	ÅF ¹⁾	Pöyry ²⁾	Pro forma adjustments	Note	Pro forma
ASSETS					
Non-current assets					
Intangible assets	7,166	1,277	4,891	4)	13,334
Property, plant and equipment	571	62	0		634
Participations in associates	0	22	0		22
Financial investments	673	8	-672	4)	9
Non-current receivables	4	29	0		33
Deferred tax asset	17	234	0		252
Total non-current assets	8,432	1,633	4,219		14,284
Current assets					
Accounts receivable	3,105	1,059	0		4,164
Revenue generated but not invoiced	1,096	347	0		1,443
Current tax assets	13	31	0		44
Other receivables	144	110	0		254
Prepaid expenses and accrued income	179	92	0		271
Cash and cash equivalents	239	1,064	-326	3)	976
Total current assets	4,776	2,702	-326		7,152
TOTAL ASSETS	13,208	4,334	3,893		21,435
EQUITY AND LIABILITIES					
Equity					
Equity attributable to shareholders in the parent company	5,449	1,811	-1,031	3), 4), 5), 6), 7)	6,229
Non-controlling interest	16	1	0		17
Total equity	5,465	1,812	-1,031		6,246
Liabilities					
Loans and credit facilities	2,865	0	2,029	3)	4,894
Provisions for pensions	141	163	0		304
Other provisions	15	0	0		15
Deferred tax liabilities	233	4	297	4)	535
Other liabilities	464	0	14	7)	478
Total non-current liabilities	3,718	168	2,340		6,225
Loans and credit facilities	688	0	2,455	3), 5)	3,143
Other provisions	58	111	0		169
Work invoiced but not yet carried out	368	978	0		1,346
Accounts payable	854	156	0		1,009
Current tax liability	59	64	-6	3)	117
Accrued expenses and prepaid income	1,231	779	40	6)	2,050
Other liabilities	770	266	95	3), 7)	1,130
Total current liabilities	4,026	2,354	2,584		8,964
Total liabilities	7,744	2,522	4,924		15,189
TOTAL EQUITY AND LIABILITIES	13,208	4,334	3,893		21,435

1) Derived from ÅF Pöyry's annual report for the financial year 2018.

2) Based on Pöyry's annual review 2018 and aligned with ÅF's balance sheet format. Pöyry's balance sheet has been recalculated from EUR to SEK with application of a EUR/SEK exchange rate of 10.2753 as of 31 December 2018 (according to Riksbanken).

3) A pro forma adjustment for acquisition financing has, after an adjustment regarding prepaid loan processing fees of SEK 11 million and SEK 7 million, respectively, and repayment with proceeds from the directed share issue of SEK 1,210 million increased non-current loans and credit facilities by SEK 2,029 million, and current loans and credit facilities by SEK 2,410 million. A pro forma adjustment for financing of loan processing fees has increased current loans and credit facilities by SEK 19 million. The pro forma adjustment regarding liabilities relating to the shares that had not been acquired as of 21 February 2019 has increased other current liabilities by SEK 62 million. Costs for the ticking fee and option premium have been accrued and expensed during 2018 and 2019. A pro forma adjustment for ticking fees and option premiums pertaining to the period from 1 January 2019 to 21 February 2019 has reduced equity attributable to shareholders in the parent company by SEK 27 million and increased current loans and credit facilities with equivalent amount. Tax has been reduced by SEK 6 million, which has increased equity attributable to shareholders in the parent company by SEK 6 million and reduced the current tax liabilities with an equivalent amount. The calculation has been based on a tax rate of 22 per cent in Sweden. Pro forma adjustment for repayment of hybrid bond has reduced cash and cash equivalents and equity attributable to shareholders in the parent company by SEK 326 million. The adjustment has been converted from EUR to SEK with application of an exchange rate of 10.563 as of 21 February 2019 (according to Riksbanken). See also "Financing" above.

- 4) The elimination of the acquisition has been based on a preliminary acquisition analysis. The consideration for all the outstanding shares acquired in Pöyry has, in the preliminary acquisition analysis, been based on an offer price in the public tender offer of EUR 10.20 per share. The total consideration of EUR 611 million has been recalculated to SEK 6,406 million. EUR 348 million has been recalculated based on a EUR/SEK exchange rate of 10.424 relating to an exercised currency option agreement, whilst the remaining EUR 263 million of the consideration has been recalculated based on a EUR/SEK exchange rate of 10.563 as of 21 February 2019 (according to Riksbanken). The pro forma adjustment of intangible assets pertaining to the acquisition analysis amounts to SEK 4,891 million and refers to outstanding orders and client relationships of SEK 1,322 million, reduced for an elimination of existing goodwill in Pöyry of SEK 1,220 million increased by goodwill relating to the acquisition of Pöyry amounting to SEK 4 789 million. Deferred tax liabilities relating to outstanding orders and client relationships amount to SEK 297 million and have been calculated with application of tax rates in the range of 19–34 per cent. Adjustments regarding financial investments of SEK 672 million relate to the acquisition of Pöyry and refer partly to the difference in fair value as of 21 February 2019 (based on the offer price of EUR 10.20 per share and a EUR/SEK exchange rate of 10.563 as of 21 February 2019) and the fair value as of 31 December 2018 (based on the share price on Nasdaq-Helsinki of 10.40 and a EUR/SEK exchange rate of 10.2753 as of 31 December 2018 (according to Riksbanken)), amounting to SEK 6 million, and partly to an acquisition elimination of SEK 677 million, based on the value of the offer price totalling EUR 10.20 per share and a EUR/SEK exchange rate of 10.563 as of 21 February 2019 (according to Riksbanken). Adjustment of equity refers to elimination of Pöyry's equity relating to the parent company's shareholders of SEK 1,811 million, and an adjustment for change in fair value as regards the shares in Pöyry that were acquired directly on the stock market.

SEK million	
Acquired net assets	
Intangible assets	57
Other non-current assets	93
Non-current receivables	29
Deferred tax assets	234
Current receivables	1,638
Cash and cash equivalents	1,064
Non-current liabilities	-163
Deferred tax liabilities	-4
Current liabilities	-2,354
Identifiable assets and liabilities, net	593
Goodwill	4,789
<i>Fair value adjustment of intangible assets</i>	
Outstanding orders	85
Client relationships	1,238
	1,322
Deferred tax liabilities pertaining to fair value adjustment	-297
Consideration	6,406

- 5) The directed share issue of SEK 1,210 million has increased equity attributable to shareholders in the parent company by SEK 1,210 million and reduced current loans and credit facilities by SEK 1,210 million. The reduction refers to repayment of part of the bridge facility of EUR 348 million that has been utilised between 21 February 2019, when the acquisition of Pöyry was carried out, and 4 mars 2019, when the proceeds from the directed share issue were disposable. In the pro forma balance sheet, it has been presumed that the directed share issue was carried out, and the proceeds from the directed share issue were received, on 31 December 2018.
- 6) The total transaction costs pertaining to the acquisition of Pöyry are estimated at SEK 65 million. During the financial year 2018, transaction costs of SEK 25 million have been recognised in ÅF's consolidated income statement. These costs are not recognised in the pro forma income statement. ÅF's equity attributable to shareholders in the parent company has been reduced by SEK 25 million, which is why the remaining SEK 40 million reduce equity attributable to shareholders in the parent company and increase the accrued costs and deferred income through a pro forma adjustment. As transaction costs do not affect the taxable results, a pro forma adjustment for tax is not made.
- 7) Pro forma adjustments pertaining to reclassification of Pöyry's long-term incentive program from an equity-settled to a cash-settled incentive program due to a change of control clause has reduced equity attributable to shareholders in the parent company by SEK 47 million, increased other current liabilities by SEK 33 million and increased other non-current liabilities by SEK 14 million.

Auditors' report on pro forma financial information

This is a literal translation of the Swedish original report included in RevR 5

To the Board of Directors in ÅF Pöyry AB, corporate identity number 556120-6474

We have audited the pro forma financial information set out on pages 76–81 in ÅF Pöyry's prospectus dated 27 March 2019.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisition of Pöyry, the loan financing (incurred in relation to the acquisition of Pöyry) and the carried out directed share issue might have affected the consolidated balance sheet for ÅF Pöyry AB as of 31 December 2018 and the consolidated income statement for ÅF Pöyry AB for the financial year 2018.

The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the ÅF Pöyry in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on page 76, and in accordance with the accounting policies applied by the company.

Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on page 76 and in accordance with the accounting policies applied by the company.

Stockholm, 27 March 2019

KPMG AB

Joakim Thilstedt

Authorised public accountant

Board of Directors, Group Management and Auditor

Board of Directors

According to ÅF Pöyry's Articles of Association, the Board of Directors shall consist of not less than six and not more than ten members elected by the General Meeting. In addition and by law, employee organisations are entitled to appoint employee representatives. The Board of Directors currently comprises nine members elected by the General Meeting (elected by the

Annual General Meeting 2018, save for Henrik Ehrnrooth who was elected by the Extraordinary General Meeting held on 16 January 2019, for a term of office extending until the close of the Annual General Meeting 2019) as well as one member and two deputies appointed by employee organisations.

Name	Assignment	Elected	Independent in relation to the Company and the Group Management	Independent in relation to major shareholders	Audit committee	Remuneration committee	Shareholding ¹⁾
Anders Narvinger	Chairman	2011 ²⁾	Yes	Yes		Chairman	20,000
Jonas Abrahamsson	Member	2018	Yes	Yes			–
Gunilla Berg	Member	2017	Yes	Yes	Member		–
Henrik Ehrnrooth	Member	2019	Yes	Yes			4,926,020
Maud Olofsson	Member	2013	Yes	Yes		Member	5,000
Joakim Rubin	Member	2012	Yes	Yes		Member	–
Kristina Schauman	Member	2012	Yes	Yes	Chairman		2,500
Anders Snell	Member	2009	Yes	No	Member		3,000
Ulf Södergren	Member	2018	Yes	Yes			15,000
Tomas Ekvall	Member*	2017	–	–			258
Anders Toll ³⁾	Deputy*	2009	–	–			254
Stefan Löfqvist	Deputy*	2018	–	–			–

* Employee representative.

1) Refers to own holdings and holdings of related persons and affiliated companies as of 15 March 2019 and known changes thereafter.

2) Chairman of the Board of Directors since 2014.

3) Deputy member of the Board of Directors 2009–2012. Member of the Board of Directors 2012–2018. Deputy member of the Board of Directors since 2018.

Anders Narvinger

Born 1948. Chairman of the Board of Directors since 2014 and member of the Board of Directors since 2011. Chairman of the Remuneration Committee.

Principal education and professional experience: M.Sc. in Engineering, Faculty of Engineering, Lund University and graduate in economics, Uppsala University. President and CEO of ABB Sweden and CEO of the Association of Swedish Engineering Industries (Teknikföretagen).

Other current assignments/positions: Chairman of the board of Alfa Laval AB and board member of Narvinger Consulting AB.

Previous assignments/positions (past five years): Chairman of the board of Capio AB and Coor Service Management Holding AB. Board member of JM AB, Pernod Ricard SA and Svenska ICC Service AB.

Holding: 20,000 shares.

Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Jonas Abrahamsson

Born 1967. Member of the Board of Directors since 2018.

Principal education and professional experience: M.Sc. in Economics and Business, Lund University. Various senior positions within E.ON, such as CEO of E.ON Sweden.

Other current assignments/positions: President and CEO of Swedavia. Chairman of Royal Swedish Academy of Engineering Sciences. Board member of Almega Tjänsteförbunden.

Previous assignments/positions (past five years): CEO and member of the board of E.ON Sverige Aktiebolag. Board member

of Enerjisa Enerji A.S, ÅForsk Foundation and Energibranschens Förhandlings- och Arbetsgivarservice i Stockholm AB.

Holding: –

Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Gunilla Berg

Born 1960. Member of the Board of Directors since 2017. Member of the Audit Committee.

Principal education and professional experience: M.Sc. in Economics and Business, Stockholm School of Economics. Vice President and CFO of the SAS group. Vice President and CFO of the KF-group.

Other current assignments/positions: CFO of the PostNord group. Board member of Atlas Copco Aktiebolag.

Previous assignments/positions (past five years): CEO and board member of Boxer TV Access AB. CFO and deputy CEO of Teracom Group AB. Board member of Vattenfall AB, L E Lundbergföretagen Aktiebolag and Alfa Laval AB.

Holding: –

Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Henrik Ehrnrooth

Born 1954. Member of the Board of Directors since 2019.

Principal education and professional experience: M.Sc. in Forest Economics, University of Helsinki and B.Sc. in Economics, Hanken School of Economics.

Other current assignments/positions: Chairman of the board of Otava Group Ltd., Climate Leadership Coalition and Kirjatalo Oy. Board member of The Marcus Wallenberg Foundation for Promoting Scientific Research in the Forest Industry, Magnus Ehrnrooths stiftelse, Oy Havsgårdar AB and Oy Löfnäs AB.

Previous assignments/positions (past five years): CEO and chairman of the board of Pöry PLC. Chairman of the board of YIT Corporation and Caverion Corporation. Board member of APSD AS.

Holding: 4,926,020 shares indirectly through Corbis S.A.
Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Maud Olofsson

Born 1955. Member of the Board of Directors since 2013. Member of the Remuneration Committee.

Principal education and professional experience: Secondary education. Leader of the Swedish Centre Party. Sweden's Minister for Enterprise and Energy 2006–2011 and Deputy Prime Minister of Sweden 2006–2010.

Other current assignments/positions: Chairman of the board of Visita and Visita Service AB. Board member of Arise AB, Envac AB, ROMO Norr AB and member of the board and the executive board of the Confederation of Swedish Enterprise (Svenskt Näringsliv). Member of the Macquarie Advisory Board.

Previous assignments/positions (past five years): Board member of LKAB and Diös Fastigheter AB.

Holding: 5,000 shares indirectly through ROMO Norr AB.
Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Joakim Rubin

Born 1960. Member of the Board of Directors since 2012. Member of the Remuneration Committee.

Principal education and professional experience: M.Sc. in Engineering, Institute of Technology, Linköping University. Founding Partner at Zeres Capital Partners. Senior Partner at CapMan. Head of Corporate Finance and Debt Capital Markets at Handelsbanken Capital Markets.

Other current assignments/positions: Board member of Cramo plc and Hoist Finance AB and ZC Advisory.

Previous assignments/positions (past five years): Chairman of the board of Zeres Capital Partners AB. Board member of Bergman & Beving Aktiebolag, Intrum Justitia AB, Capio AB and Sanitec Oy.

Holding: –
Independent in relation to the Company and the Group Management as well as the Company's major shareholders.

Kristina Schauman

Born 1965. Member of the Board of Directors since 2012. Chairman of the Audit Committee.

Principal education and professional experience: MBA, Stockholm School of Economics. CFO of OMX, Carnegie and Apoteket AB. CEO of Apoteket AB. CFO of Investor AB.

Other current assignments/positions: CEO and board member of Calea AB. Board member of BillerudKorsnäs AB, Orexo AB, Coor Service Management Holding AB, Ellos Group Holding AB, BEWiSynbra Group AB, Nordic Entertainment Group AB and REEDA Capital Management AB.

Previous assignments/positions (past five years): Chairman of the board of Barony Aktiebolag. Board member of Apoteket AB, Skandia Mutual Life Insurance Company and Rädda Barnens ServiceAktiebolag. Deputy board member of Northbay AB.

Holding: 2,500 shares.

Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Anders Snell

Born 1950. Member of the Board of Directors since 2009. Member of the Audit Committee.

Principal education and professional experience: M.Sc. in Engineering, Royal Institute of Technology (KTH). Senior Vice President of BillerudKorsnäs. Senior Vice President of AssiDomän. CEO of Grycksbo. CEO of Norrsundet Bruks AB.

Other current assignments/positions: Chairman of the board of Wibax AB. Executive member of the ÅForsk Foundation. CEO and board member of Anders Snell Affärskonsult AB.

Previous assignments/positions (past five years): Chairman of the ÅForsk Foundation.

Holding: 3,000 shares.
Independent in relation to the Company and Group Management but not in relation to the Company's major shareholders.

Ulf Södergren

Born 1953. Member of the Board of Directors since 2018.

Principal education and professional experience: M.Sc. in Engineering, Royal Institute of Technology (KTH) and M.Sc. in Business and Economics, Stockholm University. Various senior positions within the ASSA ABLOY group, such as Executive Vice President and Chief Technology Officer (CTO), Regional Manager Scandinavia and Chief Operating Officer (COO). Various senior positions within the Electrolux group.

Other current assignments/positions: Board member of Mantex Aktiebolag and HMS Networks AB. Deputy board member of Olving & Partner AB.

Previous assignments/positions (past five years): Chairman of the board of ASSA ABLOY Logistic Security Solutions AB.

Holding: 15,000 shares.
Independent in relation to the Company and Group Management as well as the Company's major shareholders.

Tomas Ekvall

Born 1981. Member of the Board of Directors since 2018 and deputy member of the Board of Directors since 2017. Representative of Unionen.

Principal education and professional experience: Engineer, advanced higher vocational education in IT and Automation, Origo. Pilot in the Swedish National Guard (Hemvärnet).

Other current assignments/positions: Chairman of ÅF Unionen Sydost.

Previous assignments/positions (past five years): –
Holding: 258 shares.

Anders Toll

Born 1955. Deputy member of the Board of Directors 2009–2012. Member of the Board of Directors 2012–2018. Deputy member of the Board of Directors since 2018. Representative of Unionen.

Principal education and professional experience: Engineer. Inspection Engineer and Project Engineer within ÅF's Industry division.

Other current assignments/positions: Sole proprietorship of Kullerstads Elservice.

Previous assignments/positions (past five years): –
Holding: 254 shares.

Stefan Löfqvist

Born 1980. Deputy member of the Board of Directors since 2018. Representative of SACO.

Principal education and professional experience: B.Sc. in mechanical engineering, Blekinge Institute of Technology (BTH). Constructor at Evolator AB, Epsilon AB and within ÅF's Industry division.

Other current assignments/positions: Board member of ÅF SACO Syd and Missionsförsamlingen Oskarshamn.

Previous assignments/positions (past five years): –
Holding: –

Group Management

Name	Position	Employed since	Shareholding ¹⁾	Holding of convertibles, SEK
Jonas Gustavsson	President and CEO	2017	7,500	9,000,000
Martin à Porta	Head of Management Consulting Division	2019	–	–
Emma Claesson	Head of Human Resources	2014	1,862	12,000,000
Malin Frenning	Head of Infrastructure Division	2019	–	–
Stefan Johansson	CFO	2011	22,199	9,000,000
Robert Larsson	Head of Industry Division	2018	3,000	–
Nicholas Oksanen	Head of Process Industries Division	2019	–	–
Richard Pinnock	Head of Energy Division	2019	–	–
Nyamko Sabuni	Head of Sustainability	2013	1,240	6,000,000
Cathrine Sandegren	Head of Communications and Brand	2016	50	300,000

1) Own holdings and holdings of related persons and affiliated companies as of 15 March 2019 and known changes thereafter.

Jonas Gustavsson

Born 1967. President and CEO since 2017.

Principal education and professional experience: M.Sc. in Engineering, Luleå University of Technology. Various senior positions within the Sandvik group, such as Business Area Manager at Sandvik Machining Solutions and Sandvik Materials Technology. Vice President Operations of BRP-Rotax. Various senior positions within Bombardier and ABB.

Other current assignments/positions: Board member of the Association of Swedish Engineering Industries and Tekniktjänstearbetsgivarna.

Previous assignments/positions (past five years): Chairman of the board of Seco Tools Aktiebolag and Aktiebolaget Sandvik Coromant. Board member of Aktiebolaget Sandvik International.

Holding: 7,500 shares and convertibles corresponding to a nominal amount of SEK 9,000,000.

Martin à Porta

Born 1970. Head of Management Consulting Division since 2019.

Principal education and professional experience: M.Sc. in Engineering, Swiss Federal Institute of Technology. President and CEO of Pöyry PLC and other senior positions within the Pöyry group. President Management Consulting Business Group. CEO of Siemens Building Technologies Europe.

Other current assignments/positions: –

Previous assignments/positions (past five years): –

Holding: –

Emma Claesson

Born 1974. Head of Human Resources since 2014.

Principal education and professional experience: MBA, Uppsala University. Vice President HR of SSAB EMEA and Director Leadership & Competence Development of SSAB. Management Consultant at Accenture.

Other current assignments/positions: CEO and board member of Emma Claesson Advisory AB.

Previous assignments/positions (past five years): Board member of SSAB Merox Aktiebolag, Cool Company Skandinavien AB and Wise Group AB.

Holding: 1,862 shares and convertibles corresponding to a nominal amount of SEK 12,000,000.

Malin Frenning

Born 1967. Head of Infrastructure Division since 2019.

Principal education and professional experience: Mechanical Engineering and Tech Hr. Dr., Technical University of Luleå. Various senior positions within the Telia Company group, such as CEO of Telia Sweden and President Business Area Broadband in the Nordics and Baltics. CEO of the County Council of Stockholm.

Other current assignments/positions: CEO of Landstingshuset i Stockholm Aktiebolag. Chairman of the board of Aktiebolaget Stockholms Läns Landstings Interfinans. Board member of Hexatronic Group.

Previous assignments/positions (past five years): Chairman of the board of Skanova Aktiebolag, Telia Carrier AB and Telia Network Sales AB. Board member of Cygate Group AB, S-GROUP Holding AB, Confederation of Swedish Enterprise (Svenskt Näringsliv) and Stockholmsregionens Europakontor AB.

Holding: –

Stefan Johansson

Born 1958. CFO since 2011.

Principal education and professional experience: MBA, Linköping University. CFO of Haldex and Duni. Various senior positions within the ABB group.

Other current assignments/positions: –

Previous assignments/positions (past five years): Board member of NOTE AB. Deputy board member of Angus Aircraft Management Aktiebolag.

Holding: 22,199 shares and convertibles corresponding to a nominal amount of SEK 9,000,000.

Robert Larsson

Born 1967. Head of Industry Division since 2018.

Principal education and professional experience: M.Sc. in Engineering. Various senior positions within the ABB group, such as Lead Division Manager at Robotics & Motion Scandinavia.

Other current assignments/positions: Board member of Myconic AB.

Previous assignments/positions (past five years): –

Holding: 3,000 shares.

Nicholas Oksanen

Born 1967. Head of Process Industries Division since 2019.

Principal education and professional experience: M.Sc. in Paper Technology and Economics, Helsinki University of Technology. Executive Vice President and President of Industry Business Group, President of the Business Unit Pulp and Paper and various other senior positions within the Pöyry group.

Other current assignments/positions: Member of the Board of Directors in The Finnish Association of Consulting Firms SKOL.

Previous assignments/positions (past five years): Chairman of the Board of Finland-Asean Trade Association. Member of the Board of Runttech Systems Oy and Paper Engineers' Association.

Holding: –

Richard Pinnock

Born 1962. Head of Energy Division since 2019.

Principal education and professional experience: B.Comm. (Hons), University of South Africa. B.Sc. in Mechanical Engineering, University of Witwatersrand. LPSF Executive Programme, Harvard Business School. Executive Vice President and President of Energy Business Group and President of Group Strategic Growth function of Pöyry. Member of the Group Executive Committee of Pöyry and various senior positions with the Pöyry group.

Other current assignments/positions: Chairman of the Board of Advance Ekono Co Ltd. Member of the Board of Amata Power (Bien Hoa) Limited.

Previous assignments/positions (past five years): –

Holding: –

Nyamko Sabuni

Born 1969. Head of Sustainability since 2013.

Principal education and professional experience: Law, Uppsala University. Information and Communication, Berghs School of Communication. Migration Policy, Mälardalens University. Minister and member of the Swedish Parliament and its Committee on Industry and Trade. Communications Advisor at Geelmuyden Kiese. Project Manager at Folksam Social Council.

Other current assignments/positions: Board member of Mitt Liv AB, AB Alphace Coaching & Education and Nyamko Sabuni AB.

Previous assignments/positions (past five years): Board member of 1,6 miljonerklubben AB.

Holding: 1,240 shares and convertibles corresponding to a nominal amount of SEK 6,000,000.

Cathrine Sandegren

Born 1977. Head of Communications and Brand since 2019.

Principal education and professional experience: Graduate Diploma in Business Administration, Copenhagen Business School. Corporate Communication Manager of the SAS group. Communicator at Avega Group and Maersk Group. Corporate, IR and Internal Communications Manager for ÅF Pöyry.

Other current assignments/positions: –

Previous assignments/positions (past five years): –

Holding: 50 shares and convertibles corresponding to a nominal amount of SEK 300,000.

Other information concerning the Board of Directors and Group management

All members of the Board of Directors and the Group Management can be reached through the Company's address, ÅF Pöyry AB, SE-169 99, Stockholm.

There are no family ties between any of the members of the Board of Directors and/or Group Management. No member of the Board of Directors or Group Management has been convicted in any case involving fraudulence during the past five years. None of them have been involved in any bankruptcy, receiverships or liquidation during the past five years in the capacity as member of administrative, management or supervisory bodies or a senior executive. No incrimination and/or sanctions have – save for Anders Toll who, in May 2014, was required to pay a sanction fee issued by the Swedish Financial Supervisory Authority due to late notification of changes in holdings of convertibles – been issued by statutory or regulatory authorities (including designated professional bodies) during the past five years against any of the members of the Board of Directors or Group Management. Nor has any member of the Board of Directors or Group Management during the past five years been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

No member of the Board of Directors or Group Management has any private interests which might conflict with their duties to ÅF Pöyry. However, as stated above, a number of the members of the Board of Directors and Group Management have a financial interest in ÅF Pöyry through shareholdings or holdings of convertibles.

Auditor

KPMG AB (P.O. Box 382, SE-101 27 Stockholm) is the Company's auditor since 2017 and was, on the Annual General Meeting of 2018, re-elected as auditor until the close of the Annual General Meeting of 2019. Joakim Thilstedt, authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden), is auditor-in-charge since 2017.

In 2016, a procurement procedure was carried out for auditors of the Group via a selection procedure, in accordance with the EU Audit Regulation. As a result of the process, the Audit Committee concluded that it would recommend to the Nomination Committee to propose to the Annual General Meeting 2017 that KPMG be appointed as the Group's auditor.

Ernst & Young AB (P.O. Box 7850, SE-103 99 Stockholm) was the Company's auditor for the financial year 2016. Hamish Mabon, authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden), was auditor-in-charge for the financial year 2016.

Corporate governance

Corporate governance within ÅF Pöyry

The corporate governance of ÅF Pöyry is based on Swedish law, ÅF Pöyry's Articles of Association, the Swedish Code of Corporate Governance (the "**Code**") and Nasdaq Stockholm's Rule Book for Issuers as well as other relevant laws and regulations. The Code is based on the "*comply or explain*" principle, meaning that companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they consider are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation. ÅF Pöyry applies the Code without any deviation. ÅF Pöyry complies with Nasdaq Stockholm's Rules for Issuers and generally accepted stock exchange practice. The most important internal instrument of governance is the Articles of Association adopted by the General Meeting. In addition, there are the Board of Direc-

tor's Rules of Procedure and the Board of Director's instructions for the CEO. Internal policies and instructions constitute essential governance documents for the whole Company, clarifying responsibility and authority within specific areas, such as information security, regulatory compliance and risk management.

Board committees

The Board of Directors has established two committees, the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee is an important communication link between the Board of Directors and the Company's auditors. The Audit Committee is responsible for the auditor selection procedure, which is detailed in the Audit Regulation, and for submitting to the Nomination Committee its auditor recommendation for election of auditors at the General Meeting. The Audit Committee supports the work of the Board of Directors by safeguarding the quality of financial reports and following up the results of the reviews and audits carried out by the external auditors. The Company's internal audit function supports the committee in its work. The Audit Committee comprises Kristina Schauman (Chairman), Gunilla Berg and Anders Snell.

Remuneration Committee

The task of the Remuneration Committee is to prepare the guidelines for the remuneration of senior executives which is then adopted by the Annual General Meeting, and to submit proposals to the Board of Directors for the salary and terms and conditions of employment for the CEO. The committee also deals with matters relating to the salary and terms and conditions of employment for senior executives who report directly to the CEO, and overall terms of employment and remuneration packages for all the Company's employees. The Remuneration Committee reports to the Board of Directors. The Remuneration Committee comprises Anders Narvinger (Chairman), Joakim Rubin and Maud Olofsson.

Compensation to the Board of Directors

The Annual General Meeting 2018 resolved that a fee of SEK 810,000 shall be paid to the Chairman of the Board of Directors and a fee of SEK 350,000 to each other Board member elected by the General Meeting. In addition, it was resolved that a fee of SEK 150,000 shall be paid to the Chairman of the Audit Committee and a fee of SEK 60,000 to each of the other committee members, while a fee of SEK 75,000 shall be paid to the Chairman of the Remuneration Committee and SEK 45,000 to each of the other committee members.

The table below specifies the fees paid to member of the Board of Directors elected by the General Meeting during 2018.

SEK	Function	Board fee	Committee fee	Total
Anders Narvinger	Chairman	767,500	75,000	842,500
Jonas Abrahamsson ¹⁾	Member	175,000	–	175,000
Gunilla Berg	Member	330,000	55,000	385,000
Staffan Jufors ²⁾	Member	155,000	–	155,000
Björn O. Nilsson ³⁾	Member	155,000	25,000	180,000
Maud Olofsson	Member	330,000	22,500	352,500
Joakim Rubin	Member	330,000	45,000	375,000
Kristina Schauman	Member	330,000	137,500	467,500
Anders Snell	Member	330,000	52,500	382,500
Ulf Södergren ²⁾	Member	175,000	–	175,000
Total		3,077,500	412,500	3,490,000

1) Elected by the Annual General Meeting 2018.

2) Left the Board of Directors at the Annual General Meeting 2018. Received board fee for the period January–April 2018 of SEK 155,000.

3) Left the Board of Directors at the Annual General Meeting 2018. Received board fee for the period January–April 2018 of SEK 155,000 and committee fee of SEK 25,000.

At the Extraordinary General Meeting held on 16 January 2019, it was resolved Henrik Ehrnrooth shall be paid a remuneration for his work as a Board member and for any work in Board Committees for the period beginning when the General Meeting's resolution takes effect, in accordance with the levels of remuneration resolved by the Annual General Meeting 2018, in proportion to the duration of the term of his directorship.

Compensation to Group Management

The compensation to members of Group Management comprises basic salary, a variable salary element, pension entitlements and long-term incentive programmes. The table below shows the compensation paid to CEO and Group Management in 2018.

SEK thousand	Basic salary	Variable compensation	Pension ¹⁾	Long-term incentive programme	Other benefits ²⁾	Total
President and CEO	8,000	3,645	3,757	2,341	200	17,943
Other members of Group Management*	20,730	6,528	6,528	–	568	34,458
Total	28,730	10,277	10,285	2,341	768	52,401

* 9 persons during 2018.

1) The Group Management's pension plans are defined contribution plans. There are consequently no amounts set aside or accrued to provide pension, retirement or similar benefits to the current Group Management.

2) Consists primarily of use of company car.

Terms of employment and severance pay for CEO and Group Management

The period of notice for the CEO is 12 months from the Company's side, and the CEO is entitled to 12 months' severance pay. The period of notice from the CEO's side is 6 months.

The period of notice for other senior executives is normally 12 months from the Company's side and 6 months from the senior executive's side. As regards one senior executive, a period of notice of two years applies from the Company's side up and including the year the senior executive turns 63.

Share capital and ownership structure

Share information

According to ÅF Pöyry's Articles of Association, the share capital shall be not less than SEK 175,000,000 and not more than SEK 700,000,000, divided into not less than 70,000,000 shares and not more than 280,000,000 shares. There are two classes of shares in the Company, class A and B. As of 31 December 2018, the Company's registered share capital was SEK 193,441,757.5, represented by 3,217,752 non-listed shares of class A and 74,158,951 listed shares of class B, each with a quota value of SEK 2.50. Each share of class A carries ten votes and each share of class B carries one vote. The shares in ÅF Pöyry have been issued in accordance with Swedish law, are fully paid and denominated in SEK. The shares are not subject to any restrictions on transferability. The rights of the shareholders may only be changed pursuant to the procedures set out in the Swedish Companies Act (*aktiebolagslagen* (2005:551)).

Since 31 December 2018, the number of shares in ÅF Pöyry has increased from 77,376,703 shares (3,217,752 shares of class A and 74,158,951 shares of class B) to 84,156,387 shares (3,217,752 shares of class A and 80,938,635 shares of class B). In connection with the acquisition of Pöyry, on 21 February 2019, a directed share issue to Corbis, Procurator, Mariatorp and Wipunen (former major shareholders in Pöyry) of 6,576,866 new shares of class B to a subscription price of SEK 184.03 per share was carried out, resulting in the number of shares in the Company increasing by 6,576,866 shares of class B to 84,156,387 shares (3,217,752 shares of class A and 80,938,635 shares of class B). In 2019, conversion of staff convertibles has also taken place. Please refer to "Share capital development" below for further information.

The forthcoming rights issue will, if fully subscribed, result in an increase of the number of shares in the Company from 84,156,387 shares (3,217,752 shares of class A and 80,938,635 shares of class B) to 112,208,516 shares (4,290,336 shares of class A and 107,918,180 shares of class B), representing an increase of approximately 33 per cent. Shareholders who decline to subscribe for shares in the rights issue will experience a dilution with a total of 28,052,129 new shares, representing 25 per cent of the total shares in the Company after the rights issue.

The shares are not subject to any offer made pursuant to a mandatory takeover bid and/or squeeze-out and sell-out rules. No public takeover bids have been made in respect of the shares in ÅF Pöyry during the current financial or previous financial year.

Certain rights attached to the shares

General Meetings

Notice of General Meetings shall be published in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. Simultaneously, an announcement with information that the notice has been issued shall be published in

Dagens Industri. To be entitled to participate in a General Meeting, the shareholder must be registered in the share register five weekdays prior to the meeting, and notify the Company of the participation not later than on the day specified in the notice of the meeting.

Voting rights

Each share of class A carries ten (10) votes and each share of class B carries one (1) vote. Each shareholder is entitled to vote for the total number of shares held without limitation of the voting powers.

Preferential rights to new shares, etc.

If the Company resolves to issue new shares of class A and class B through an issue against a method of payment other than capital contributed in kind, each holder of shares of class A and/or class B shall have a preferential right to subscribe for new shares of the same share class in proportion to the number of shares the holder already holds (primary preferential rights). Shares which are not subscribed for under primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for under subsidiary preferential rights, the shares shall be allotted among the subscribers in proportion to the number of shares already held or, to the extent that this is not possible, by lot.

If the Company resolves on a new issue against a method of payment other than capital contributed in kind of class A or class B shares only, all shareholders, irrespective of whether their shares are of class A or class B, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares they already hold.

The above provisions on rights issues shall apply correspondingly to issues of options and convertibles, and shall not imply any curtailment of the right of the Company to resolve on new issues other than rights issues.

In the event of an increase in the share capital through a bonus issue of new shares, new shares of each share class shall be issued in proportion to the number of shares in the same share class that already existed. In that event, the existing shares of a certain share class shall carry the right to new shares of the same share class. This provision shall not imply any curtailment of the right of the Company, after the necessary amendment of the Articles of Association, to issue shares of a new class through a bonus issue.

Rights to dividends and surplus in the event of liquidation

All shares carry the same right to share in the Company's profit and any surplus in the event of liquidation.¹⁾

1) According to the terms of the Company's staff convertibles, shares that have been converted after a certain date do not entitle to dividend at the upcoming Annual General Meeting. As of the date of this prospectus, 163,672 shares of class B do not entitle to dividend on the Annual General Meeting 2019.

Dividends are resolved upon by the General Meeting and the payment is administered by Euroclear Sweden. Dividends may only be paid if, after such dividends, there is full coverage for the Company's restricted equity and further to the extent that such dividends are justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations, and; (ii) the Company's and the Group's consolidation needs, liquidity and financial position in general (the so-called prudence rule). As a general rule, the shareholders may not decide upon larger dividends than those proposed or approved by the Board of Directors. Dividends are normally paid to shareholders in cash on a per share basis, but may also be paid in kind.

On the record date established by the General Meeting, persons recorded as shareholders in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends. If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of 10 years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Swedish Companies Act nor the Company's Articles of Association contain any restrictions

regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders with limited tax liability in Sweden are normally subject to Swedish withholding tax. See "*Certain tax issues in Sweden*" for additional information.

For ÅF Pöry's dividend policy, see "*Dividend policy*" in "*Business description and the acquisition of Pöry*".

Dividend history

SEK	2018	2017	2016
Dividend per share	5.00	4.50	3.75

Share conversion clause

A holder of shares of class A is entitled to demand that the shares be converted into shares of class B. An application to this effect shall be submitted in writing to the Board of Directors and may be made during the calendar months of January and February each year. Conversion is effected when registration has been completed at the Swedish Companies Registration Office and the shares are entered in the CSD register operated by Euroclear Sweden.

Share capital development

The below table sets forth the share capital development since 2016.

Year	Change	Quota value SEK	Change in number of shares		Total number of shares		Total shares Number	Share capital SEK thousand
			A shares	B shares	A shares	B shares		
2016	Conversion of staff convertibles ¹⁾	2.5	–	848,660	3,217,752	75,696,001	78,913,733	197,284
2017	Cancellation ²⁾	2.5	–	-835,488	3,217,752	74,860,513	78,078,265	195,195
2017	Conversion of staff convertibles ¹⁾	2.5	–	183,600	3,217,752	75,044,113	78,261,865 ³⁾	195,654
2018	Cancellation ²⁾	2.5	–	-1,650,213	3,217,752	73,393,900	76,611,652	191,529
2018	Conversion of staff convertibles ¹⁾	2.5	–	765,501	3,217,752	74,158,951	77,376,703	193,442
2019	Conversion of staff convertibles ¹⁾	2.5	–	202,818	3,217,752	74,361,769	77,579,521	193,949
2019	Directed share issue ⁴⁾	2.5	–	6,576,866	3,217,752	80,938,635	84,156,387	210,391
2019	Forthcoming rights issue ⁵⁾	2.5	1,072,584	26,979,545	4,290,336	107,918,180	112,208,516	280,521

1) Conversion in relation to the Group's staff convertible programmes. The conversion rate has been SEK 78.55–134.10 per share.

2) Reduction of the share capital for allocation to non-restricted equity by withdrawing own shares to compensate for dilution effects of the Group's staff convertible programme for each year.

3) Of which 939,285 own shares.

4) The subscription price was SEK 184.03 per share. See "*Share information*" above for additional information.

5) The subscription price has been set at SEK 99 per share.

Ownership structure

As at 15 March 2019, ÅF Pöry had approximately 13,700 shareholders. The largest shareholder was ÅForsk, with approximately 10.8 per cent of the share capital and 33.6 per cent of the votes in the Company. The table below shows the Company's largest shareholders as at 15 March 2019.

Major shareholders as of 15 March 2019

Holder/nominee/custodian	A shares	B shares	Total number of shares	Share capital, %	Votes, %
ÅForsk	3,205,752	5,919,628	9,125,380	10.8	33.6
Handelsbanken Fonder	–	7,123,997	7,123,997	8.5	6.3
SEB Investment Management	–	6,023,423	6,023,423	7.2	5.3
Skandinaviska Enskilda Banken S.A.	–	5,710,217	5,710,217	6.8	5.1
Swedbank Robur Funds	–	4,444,130	4,444,130	5.3	3.9
CBNY-Norges Bank	–	4,017,586	4,017,586	4.8	3.6
BNY Mellon SA/NV	–	3,140,537	3,140,537	3.7	2.8
JPM Chase NA	–	2,429,752	2,429,752	2.9	2.2
Fourth National Swedish Pension Fund	–	2,411,391	2,411,391	2.9	2.1
State Street Bank and Trust CO	–	2,072,156	2,072,156	2.5	1.8
Total ten largest shareholders	3,205,752	43,292,817	46,498,569	55.3	66.6
Other shareholders	12,000	37,645,818	37,657,818	44.7	33.4
Total	3,217,752	80,938,635	84,156,387	100.0	100.0

Source: Euroclear Sweden

In Sweden, the lowest limit for disclosure of holdings (Sw. *flaggning*) is five per cent of all shares or the voting rights of all shares.

ÅForsk can exercise significant influence over the Company in matters where the shareholders have a voting right. Depending on the number of votes represented at the General Meeting, ÅForsk may put through several proposals at a General Meeting, even if other present shareholders do not agree with the proposal (see “*The Company’s largest shareholder can exert a substantial influence over ÅF Pöry*” in “*Risk factors*”). ÅForsk is therefore able to exercise significant influence over ÅF Pöry. The

control is, however, limited in accordance with the rules set out in the Swedish Companies Act (2005:551) on protection of minority interests.

Listing and share price performance

ÅF Pöry’s B share is listed on Nasdaq Stockholm since January 1986. The share is, since 2 January 2017, traded on the Large Cap list under the ticker AF B. The chart below shows the share price development and volumes traded on Nasdaq Stockholm (in million) during the past five years (up and including 22 March 2019).



Source: Nasdaq Stockholm

Authorisations

Authorisation to resolve on the forthcoming rights issue

At the Extraordinary General Meeting, held on 16 January 2019, the Board of Directors was authorised to resolve on the issue of new shares of class A and class B with preferential right for the Company’s shareholders on one or several occasions during the period up to the Annual General Meeting 2019. The total number of shares that may be issued under the authorisation shall be within the limits of the share capital set forth in the Articles of Association, and may not exceed a number of shares that corresponds to raised proceeds of approximately SEK 2,790 million (before costs related to the rights issue). The purpose of the authorisation was to use the proceeds to reduce the Group’s debt following the acquisition of Pöry.

In accordance with the authorisation from the Extraordinary General Meeting, the Board of Directors resolved, on 20 March 2019, to carry out the rights issue and to issue not more than 28,052,129 new shares (of which not more than 1,072,584 shares of class A and not more than 26,979,545 shares of class B) with preferential right for the Company’s shareholders.

Authorisation to resolve on directed share issue

At the Extraordinary General Meeting, held on 16 January 2019, the Board of Directors was authorised to resolve, with deviation from the preferential right for the Company’s shareholders, on the issue of not more than 6,576,866 new shares of class B at a subscription price of SEK 184.03 per share, on one or several occasions during the period up to the Annual General Meeting 2019. The reason for the deviation from the shareholders’ preferential right was to enable an issue of shares of class B to certain former major shareholders of Pöry, which in connection with the public tender offer of Pöry had undertaken to directly or indirectly subscribe for new shares in ÅF Pöry following the

acquisition of Pöry. The purpose of the authorisation was to use the proceeds to reduce the Group’s debt following the acquisition of Pöry.

In accordance with the authorisation from the Extraordinary General Meeting, the Board of Directors resolved, on 21 February 2019, to carry out the directed share issue and to issue not more than 6,576,866 new shares of class B at a subscription price of SEK 184.03 per share. The directed share issue was registered with the Swedish Companies Registration Office on 1 March 2019.

Authorisation to resolve on issue of share

At the Annual General Meeting 2018, it was resolved to adopt an incentive program called Personnel Convertible Programme 2018. The resolution included authorisation for the Board of Directors to repurchase own shares of class B on Nasdaq Stockholm to compensate for possible dilution effects of the convertible programme. Furthermore, the Annual General Meeting resolved to reduce the share capital by withdrawing repurchases shares to compensate for possible dilution effects of the Personnel Convertible Programme 2017.

Authorisation to acquire and transfer own shares

At the Annual General Meeting 2018, it was resolved to adopt an incentive program called Personnel Convertible Programme 2018. The resolution included authorisation for the Board of Directors to repurchase own shares of class B on Nasdaq Stockholm to compensate for possible dilution effects of the convertible programme. Furthermore, the Annual General Meeting resolved to reduce the share capital by withdrawing repurchased shares to compensate for possible dilution effects of the Personnel Convertible Programme 2017.

The purpose of the Board of Directors’ possibility of acquiring own shares and the resolution on reduction of the share capital through withdrawing acquired shares is to enable the Com-

pany to reduce the share capital corresponding mainly to the number of shares that convertibles can be converted into. The authorisation for the Board of Directors means that the Board of Directors, for the period until the Annual General Meeting 2019, on one or more occasions, is entitled to resolve on the acquisition of shares of class B corresponding to a maximum of 2 per cent of all shares in the company. Repurchase shall take place on Nasdaq Stockholm and may then only take place at a price within the price interval registered at all times. The authorisation has been exercised through acquisition of own shares of class B.

Furthermore, to fulfil the commitments under the Performance-based Share Programme 2014 ("PSP"), the Board of Directors was authorised to transfer shares of class B to participants in PSP before the Annual General Meeting 2019. Participants in PSP are entitled to receive shares, with a right for each participant to receive a maximum number of shares in accordance with the terms for PSP. Transfer of shares in accordance with PSP will take place without consideration. The number of shares that may be subject to transfer as above may become subject to recalculation resulting from a bonus issue, split, rights issue or similar measures. The authorisation has been exercised through the transfer of own shares of class B to participants in PSP.

Long-term incentive programmes

Staff convertible programme

The Group has issued convertible bonds targeted to employees. The convertible is divided into a financial liability and a conversion option, which is recognised as equity. The programmes do not entail any personnel costs. The convertible programmes are not conditional on continued employment during the terms of the convertible programmes.

In 2016, ÅF Pöry issued convertibles directed to key staff members totalling SEK 142 million. The loan runs with an annual interest of Stibor 180 and a margin of 1.50 with effect from 17 August 2016. Conversion may be called during the period from 14 June 2019 to 13 March 2020. The conversion price is SEK 170.20. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 3.68 per cent.

In 2017, ÅF Pöry issued convertibles directed to key staff members totalling SEK 180 million. The loan runs with an annual interest of Stibor 180 and a margin of 1.19 with effect from 17 August 2017. Conversion may be called during the period from 15 June 2020 to 15 March 2021. The conversion price is SEK 221.90. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 3.65 per cent.

In 2018, ÅF Pöry issued convertibles directed to key staff members totalling SEK 189 million. The loan runs with an annual interest of Stibor 180 and a margin of 0.92 with effect from 17 August 2018. Conversion may be called during the period from 15 June 2021 to 15 March 2022. The conversion price is SEK 224.6. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 3.27 per cent.

Summary

The table below shows a summary of the maximum number of shares that may be allotted under the Company's outstanding staff convertible programmes.

Programme	Number of shares
Staff convertible programme 2016	834,488
Staff convertible programme 2017	810,556
Staff convertible programme 2018	839,657
Total	2,484,701

Central securities depository

The Company's shares are book-entry registered in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (*Iagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The register is operated by Euroclear Sweden (Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden). The shares are registered on person. No share certificates have been issued for the shares or will be issued for the new shares. The ISIN code for shares of class A and class B is SE0005999828 and SE0005999836, respectively.

Shareholders' agreements, etc.

To the Board of Directors' knowledge, there are, other than as set out below, no shareholders' agreement or other agreements between shareholders in the Company intended to exercise joint control of the Company. Neither is the Board of Directors aware of any agreements or similar which may cause changes to the control of the Company.

ÅForsk has undertaken to support, at the Annual General Meeting in 2019, the election of Henrik Ehrnrooth and one additional representative of certain former major shareholders of Pöry to be members of the Board of Directors of ÅF Pöry.

LEI Code

ÅF Pöry's LEI Code is 549300Q87LKPPD4X9R30.

Articles of association

Adopted by the Extraordinary General Meeting on 16 January 2019.

§ 1

The registered name of the Company is ÅF Pöyry AB, company registration number 556120-6474. The Company is a public company (publ).

§ 2

The object of the Company is, directly or through subsidiaries, to perform consulting and other similar activities in technical, financial and administrative spheres, to supply services within the same areas, to own and manage premises, securities and other chattels and real property, and to carry out other operations consistent therewith.

§ 3

The registered office of the Company shall be in the City of Stockholm. General meetings of shareholders may also be held in Solna.

§ 4

The Company's share capital shall be not less than one hundred seventy-five million Swedish Kronor (SEK 175,000,000) and not more than seven hundred million Swedish Kronor (SEK 700,000,000).

§ 5

The number of shares shall be not less than seventy million (70,000,000) and not more than two hundred eighty million (280,000,000).

§ 6

The shares shall be of two classes, Class A and Class B. Each Class A share entitles the holder to ten (10) votes and each Class B share entitles the holder to one (1) vote.

Shares of Class A may be issued up to a maximum of two hundred eighty million (280,000,000) and shares of Class B may be issued up to a maximum of two hundred eighty million (280,000,000).

It shall be possible to reclassify Class A shares as Class B shares as described below. Holders of Class A shares shall, during the calendar months of January and February each year, be entitled to request that the shareholder's Class A shares shall be reclassified as Class B shares. The request shall be made in writing to the Company.

The request shall state the number of shares that the shareholder wants to reclassify. Immediately thereafter, the reclassification shall be reported to the Swedish Companies Register (Sw. *Bolagsverket*) for registration. The reclassification is effected when it has been registered and the reclassification has been noted in the share register or in the CSD Register.

§ 7

If the Company resolves to issue new shares of Class A and Class B through an issue against a method of payment other than capital contributed in kind, each holder of shares of Class A and/or Class B shall have a preferential right to subscribe for new shares of the same share class in proportion to the number of shares the holder already holds (primary preferential rights). Shares which are not subscribed for under primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for under subsidiary preferential rights, the shares shall be allotted among the subscribers in proportion to the number of shares already held or, to the extent that this is not possible, by lot.

If the Company resolves on a new issue against a method of payment other than capital contributed in kind of Class A or Class B shares only, all shareholders, irrespective of whether their shares are of Class A or Class B, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares they already hold.

The above provisions on rights issues shall apply correspondingly to issues of options and convertibles, and shall not imply any curtailment of the right of the Company to resolve on new issues other than rights issues.

In the event of an increase in the share capital through a bonus issue of new shares, new shares of each share class shall be issued in proportion to the number of shares in the same share class that already existed. In that event, the existing shares of a certain share class shall carry the right to new shares of the same share class. This provision shall not imply any curtailment of the right of the Company, after the necessary amendment of the Articles of Association, to issue shares of a new class through a bonus issue.

§ 8

The Company's Board of Directors shall consist of a minimum of six (6) and a maximum of ten (10) Directors, together with a maximum of five (5) deputies.

§ 9

One (1) or two (2) auditors with up to two (2) deputy auditors shall be appointed at the annual general meeting for the auditing of the annual report and the accounts as well as of the management of the Board of Directors and the managing director.

§ 10

The Company's financial year shall be the calendar year.

§ 11

Notice of shareholders' meetings shall be made through advertisements in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and on the company's website.

A notice in the business newspaper, Dagens Industri, will announce that the invitation to attend the General Meeting has been issued. Notice of the Annual General Meeting and notice of Extraordinary General Meetings at which amendments to the Articles of Association are to be considered shall be published no earlier than six (6) weeks and no later than four (4) weeks before the meeting. Notice of other Extraordinary General Meetings shall be published no earlier than six (6) weeks and no later than three (3) weeks before the meeting.

§ 12

Shareholders who wish to participate in the proceedings at a shareholders' meeting shall, first, be entered as shareholders in a print-out or other presentation of the full register of shareholders, under the provisions of Chapter 7, Section 28, paragraph 3 of the Swedish Companies Act (SFS 2005:551) relating to the circumstances as of five (5) working days before the meeting, and, second, notify the Company no later than on the date stipulated in the notice convening the meeting. This last-named date must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and must not fall earlier than the fifth working day before the meeting.

Shareholders may bring one or two assistants to the shareholders' meeting, but only on condition that the shareholder has given notice of this intention in accordance with the preceding paragraph.

§ 13

The shareholder or nominee who is entered on the record day in the register of shareholders and entered in a CSD register under the provisions of Chapter 4 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), or who is recorded in a CSD account in accordance with Chapter 4, Section 18, paragraph 1, items 6-8 of the aforementioned Act shall be regarded as entitled to exercise the rights following from Chapter 4, Section 39 of the Swedish Companies Act (SFS 2005:551).

Legal considerations and supplementary information

General corporate and group information

The legal name of the Company (and its commercial name) is ÅF Pöry AB. ÅF Pöry's Swedish corporate ID No. is 556120-6474 and the registered office of the Board of Directors is situated in the municipality of Stockholm, Sweden. The Company was incorporated in Sweden on 15 October 1968 and registered with the Swedish Companies Registration Office on 4 November 1968. The Company has been conducting operations since then. The Company is a Swedish public limited liability company governed by the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

ÅF Pöry is the ultimate parent company of the Group, which comprises approximately 160 subsidiaries in approximately 60 countries. The table below shows the most significant subsidiaries. ÅF Pöry's holdings of shares in associated companies are not deemed to be of significant meaning for ÅF Pöry's financial position or results.

Subsidiary	Country	Shares and voting rights, %
ÅF Holding AB	Sweden	100
ÅF Industry AB	Sweden	100
ÅF Infrastructure AB	Sweden	100
ÅF Digital Solutions AB	Sweden	100
AF Consult Switzerland Ltd	Switzerland	100
ÅF Advansia AS	Norway	100
ÅF Engineering AS	Norway	100
ÅF Buildings Denmark AS	Denmark	100
ÅF Consult Oy	Finland	100
ÅF AS	Denmark	100
AF Toscano GmbH	Switzerland	100
Pöry Finland Oy	Finland	100
Pöry Sweden AB	Sweden	100
Pöry Austria GmbH	Austria	100
Pöry Deutschland GmbH	Germany	100
Pöry Switzerland AG	Switzerland	100

Material agreements

Presented below is a summary of material agreements entered into by ÅF Pöry during the past two years as well as other agreements entered into by ÅF Pöry, which contain any right or obligation which is material to Pöry (in both cases excluding agreements entered into in the ordinary course of business).

Acquisitions

For a description of acquisitions of operations carried out by ÅF Pöry in the years 2016–2018, please refer to "Acquisitions" in "Capital structure and other financial information".

The acquisition of Pöry

On 10 December 2018, ÅF and Pöry announced that they had entered into an agreement to combine the two companies to form a leading European engineering, design and consulting company. Subsequently, ÅF launched a recommended public cash tender offer to purchase all issued and outstanding shares in Pöry for an offer price of EUR 10.20 per share, corresponding to a total value of EUR 611 million. The acquisition closed on

21 February 2019 following that approvals from the relevant competition authorities had been received and all other conditions in the public offer had been fulfilled.

For additional information, please refer to "The acquisition of Pöry" in "Business description and the acquisition of Pöry".

Financing agreements

For a description of the Group's financing agreements, please refer to "Credit facilities and loans" and "Bridge financing for the acquisition of Pöry" in "Capitalisation, indebtedness and other financial information".

Subscription commitments, etc.

Subscription commitments

Eight major shareholders in ÅF Pöry, together holding shares representing 32.2 per cent of the shares and 49.5 per cent of the votes in the Company, have undertaken to exercise their preferential rights in the rights issue and thereby subscribe for new shares corresponding to their respective holding in the Company, i.e., totalling 32.2 per cent of the rights issue (see breakdown in the table below). No compensation is paid for these subscription undertakings.

Corbis, Procurator, Mariatorp and Wipunen have agreed, with certain exceptions, not to divest any shares in ÅF Pöry during a period of 180 days after the consummation of the directed share issue that was resolved on 21 February 2019.

Non-secured commitments

The above-mentioned subscription commitments are not secured. Consequently, there is a risk that one or more of the above-mentioned parties are not able to fulfil their undertakings in whole or in part. See "The subscription commitments are not secured" in "Risk factors".

Total commitments

Altogether, the subscription commitments total 32.2 per cent of the rights issue as detailed in the below table. Corbis, Procurator, Mariatorp and Wipunen entered their respective subscription undertakings on 10 December 2018. All other commitments were entered into in conjunction with the Board of Directors' rights issue resolution on 20 March 2019.

Shareholders	Current holding, shares	Subscription undertaking (preferential rights), share of the rights issue, %
ÅForsk	9,125,380	10.8
Handelsbanken Fonder	7,291,614	8.7
Corbis	4,926,020	5.9
The Fourth Swedish National Pension Fund	2,411,391	2.9
EQT	1,717,316	2.0
Procurator	939,900	1.1
Mariatorp	361,498	0.4
Wipunen	349,448	0.4
Total	27,122,567	32.2

Declarations of intent

Swedbank Robur and other shareholders, representing 11.8 per cent of the shares and 8.8 per cent of the votes, have declared their intention to subscribe for their respective pro rata share of the rights issue.

Legal and arbitration proceedings

The Group operates in several countries and from time to time, the Group is subject to disputes, claims and administrative proceedings in the ordinary course of business. Each year, the Company carries out thousands of assignments for clients. Hence, discussions with clients and legal proceedings are a natural part of the Company's operations. Disputes may arise if ÅF Pöry disagrees with a client on the conditions that pertain to a certain assignment. Disputes may also arise, for example, in conjunction with the acquisition of operations.

It is not possible to predict the potential for, or the ultimate outcomes of, any proceedings, disputes and matters, some of which may be unfavourable to the Company. In such cases, ÅF Pöry may incur costs and any mitigating measures (including provisions taken on the balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. The Company may need to incur significant costs in relation to legal proceedings, irrespective of their outcome. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm ÅF Pöry's reputation and brand, which could have a material adverse effect on its business, results of operations and financial position.

Please also refer to "ÅF Pöry is exposed to risks related to legal and administrative proceedings" in "Risk factors".

Arbitration against Danir AB

In 2015, Danir initiated arbitration proceedings against ÅF, claiming an additional contingent consideration with respect to ÅF's acquisition of Epsilon Holding AB from Danir in 2012. Danir's primary claim amounts to approximately SEK 996 million plus interest, which corresponds to the difference between the amount that ÅF paid as a supplemental purchase price and the amount which Danir believes the supplemental purchase price would have been if ÅF had conducted the business in the manner which Danir believes that ÅF and Danir had agreed upon. Secondly, Danir has presented a claim for approximately SEK 152 million plus interest, based on the allegation that, according to Danir, when calculating Epsilon's EBIT for 2012, ÅF – in violation of the agreement – (i) took into account certain cost items; and (ii) failed to make a correction for costs and revenue shortfall in 2012 resulting from the merger. A final hearing in the arbitration was held during the period 4–25 February 2019. The arbitral tribunal has not yet announced when it intends to issue its award.

ÅF Pöry makes the assessment that the probability for Danir being successful with its primary claim of approximately SEK 996 million plus interest is very insignificant. Also in respect of Danir's secondary claim of approximately SEK 152 million plus interest, which is divided in different posts, ÅF Pöry makes the assessment that the probability for Danir being successful with the larger part of the claim (approximately SEK 108 million) is very insignificant, whereas, as regards a smaller part of the claim (approximately SEK 44 million), there is a risk that Danir is successful. Therefore, the Company has made provisions of SEK 44 million as a consequence of the dispute.

Sino-Forest Corporation related litigations

In 2011, three competing class proceedings were commenced in Ontario, Canada, against Sino-Forest Corporation ("**SFC**") and other defendants, including certain Pöry group companies that had provided professional services to SFC. Only one of these competing class proceedings was allowed to proceed by the Ontario court (the "**Ontario Proceeding**"), the others were stayed. The Ontario Proceeding named only one Pöry group company as a defendant, Pöry (Beijing) Consulting Company Limited ("**Pöry (Beijing)**"). Thereafter, a parallel proceeding was commenced in Quebec, Canada involving Pöry (Beijing) (together with the Ontario Proceeding, the "**Canadian SFC Litigations**"). The plaintiffs in the Canadian SFC Litigation allege, among other things, that (i) SFC misstated its financial statements, misrepresented its timber rights, and overstated the value of its assets; and (ii) Pöry (Beijing) and other professionals were negligent in carrying out their respective engagements with SFC.

In 2012, Pöry (Beijing) concluded a settlement agreement with the plaintiffs concerning the Canadian SFC Litigations. Later in 2012, however, Pöry (Beijing) was added as a defendant to a pre-existing class action which had been brought against SFC and other defendants in New York, United States (the "**U.S. SFC Litigation**"). The allegations pleaded are similar to those in the Canadian SFC Litigations, however, the proposed class is narrower. There have been no material developments in the U.S. SFC Litigation since the addition of Pöry (Beijing) as a defendant.

In 2012, Canadian insolvency proceedings in respect of SFC were initiated and a litigation trust (the "**Litigation Trust**"), which inherited litigation rights that previously belonged to SFC and certain of its noteholders, was created. In 2013, proceedings in various jurisdictions were initiated by the Litigation Trust against certain Pöry group companies, as well as certain current and former employees thereof, concerning professional services provided to SFC and losses alleged to have been suffered directly by SFC. However, the only proceeding being litigated at this time is a Singapore action commenced in 2014 against Pöry Management Consulting (Singapore) Pte Ltd. ("**Pöry (Singapore)**") (the "**Singapore Action**"). The remainder of the proceedings have been stayed, on consent of the parties, pending the determination of the Singapore Action (the "**Stayed Proceedings**"). In the Singapore Action, the Litigation Trust seeks damages arising from an alleged fraud carried out by SFC's former CEO, and certain members of SFC's senior management. No Pöry entity or personnel is alleged to have been involved in the alleged SFC fraud. The Litigation Trust claims that Pöry (Singapore)'s alleged breach of contract and negligence delayed the discovery of the alleged fraud and thereby caused SFC further loss. The Litigation Trust claims damages from Pöry (Singapore) of approximately USD 593 million, plus claimed interest and costs. A trial has been scheduled to take place in Singapore between 7 August and 3 October 2019. If the Litigation Trust is successful in obtaining a judgment in the Singapore Action for the extended range of damages sought therein, the damages that it seeks in the Stayed Proceedings would be diminished significantly. Although Pöry's legal advisors in the relevant jurisdictions are of the view that the Singapore Action and the Stayed Proceedings are without merit, it remains premature to assess the outcome of these proceedings.

Controlaria related litigations in Peru

The Office of the Comptroller General of the Republic of Peru (“**Controlaria**”) has initiated several proceedings in Peru against a Consortium, CESEL-PÖYRY (the “**Consortium**”), and other defendants concerning certain aspects of the site supervision services provided by the Consortium to a public sector client. Pöyry Switzerland Ltd. was a party to the Consortium. The services of the Consortium ended in 2013 and have been approved by the client.

In 2013, Controlaria filed four complaints for alleged damages resulting from the Consortium’s failure to perform certain contract obligations in the total amount of approximately USD 54 million against the Consortium and other defendants. It may take several years prior to conclusion of the proceedings. While Pöyry’s legal advisors in Peru are of the view that these proceedings are without merit, it is premature to assess the outcome of these proceedings.

Labour claims in Latin America

Pöyry is subject to multiple ongoing labour claims in Latin America, some from former employees, some from freelancers and some from service providers’ employees. Some claims relate to a company which has been declared bankrupt, where the employees allege that Pöyry is the successor of the bankrupt company and thus has inherited obligations against the employees.

Some claims are far from being resolved (more than two years), whereas other are close to a final decision (expected during 2019). Some cases are classified as a “probable” risk for the claimants being successful, whereas others are classified as “possible”. In 2018, 0.8 MEUR was excluded from Pöyry’s operating results as “restructuring and labour claim expenses” where the labour claim expenses are expenses related to labour claims mentioned above. In 2017, the same line item totalled 3.2 MEUR. Pöyry has made provisions for the labour claims totalling approximately EUR 3.4 million.

Related-party transactions

The table below sets forth transactions between ÅF Pöyry and related parties during the financial years 2016–2018. No related-party transactions which, as a single transaction or in their entirety, are material to the Company have occurred after 31 December 2018.

Transactions with related parties refer to the ÅForsk, which holds approximately 33.6 per cent of the votes in ÅF Pöyry, associates and joint ventures. Transactions with these parties took place on commercial terms. In addition to the below, in 2018, 2017 and 2016, respectively, the Group received appropriations from ÅForsk amounting to SEK 1 million, SEK 2 million and SEK 2 million, respectively. These grants were for projects administered by the Group.

SEK million	Year	Sale of services to related parties	Purchase of services from related parties	Receivables from related parties at 31 Dec	Liabilities to related parties at 31 Dec
Joint venture	2018	0	-	-	-
Joint venture	2017	20	-	6	-
Joint venture	2016	16	-	4	-
ÅForsk	2018	1	-	0	-
ÅForsk	2017	1	-	0	-
ÅForsk	2016	1	-	0	-

Please also refer to “Note 25 – Related party transactions” on p. 87 in ÅF Pöyry’s annual report for the financial year 2018. For information on remuneration to the members of the Board of Directors and Group Management, see “Compensation to the Board of Directors” and “Compensation to Group Management” in “Board of Directors, Group Management and auditor”.

Advisors, etc.

ÅF Pöyry’s financial advisors in relation to the rights issue are SEB (Kungsträdgårdsgatan 8, SE-106 40 Stockholm) and Handelsbanken (Blasieholmstorg 11, SE-106 70 Stockholm). SEB and Handelsbanken also act as Joint Global Coordinator in connection with the offering under this prospectus. From time to time, SEB and Handelsbanken (and their affiliates), respectively, have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to ÅF Pöyry for which they have received, and may receive, compensation. Furthermore, SEB and Handelsbanken (and their affiliates), respectively are lenders and/or brokers of loans granted to ÅF Pöyry.

Mannheimer Swartling Advokatbyrå is ÅF Pöyry’s legal advisor in the rights issue.

Incorporation by reference, etc.

ÅF Pöry

ÅF Pöry's consolidated financial statements for the financial years 2016–2018 are incorporated into this prospectus by reference and consequently form part of this prospectus and are to be read as part hereof. The said financial statements are included in ÅF Pöry's annual reports for the financial years 2016–2018, where reference is made as follows:

- **ÅF Pöry's annual report 2018:**¹⁾ administration report (p. 40–45), consolidated income statement (p. 51), statement of consolidated comprehensive income (p. 51), consolidated balance sheet (p. 52–53), statement of change in consolidated equity (p. 54), statement of consolidated cash flows (p. 55), notes (p. 61–91) and auditor's report (p. 93–96).
- **ÅF Pöry's annual report 2017:**²⁾ administration report (p. 44–47), consolidated income statement (p. 52), statement of consolidated comprehensive income (p. 52), consolidated balance sheet (p. 53–54), statement of change in consolidated equity (p. 55), statement of consolidated cash flows (p. 56), notes (p. 62–88) and auditor's report (p. 90–93).
- **ÅF Pöry's annual report 2016:**³⁾ administration report (p. 28–31), consolidated income statement (p. 39), statement of consolidated comprehensive income (p. 39), consolidated balance sheet (p. 40–41), statement of change in consolidated equity (p. 42), statement of consolidated cash flows (p. 43), notes (p. 49–75) and auditor's report (p. 76–79).

Non-incorporated parts of the above reports contain information presented elsewhere in this prospectus or which is deemed not relevant to investors. ÅF Pöry's consolidated financial statements for the financial years 2016–2018 have been audited by the Company's auditor.

Pöry

Pöry's audited financial reports for the financial years 2016–2018 are, in accordance with as set forth below, incorporated into this prospectus by reference and consequently form part of this prospectus and are to be read as part hereof.

- **Pöry's audited financial reports 2018:**⁴⁾ statement of comprehensive income (p. 14), statement of financial position (p. 15), statement of cash flows (p. 16), statement of changes in equity (p. 17), notes (p. 18–61) and auditor's report (p. 87–92).
- **Pöry's audited financial reports 2017:**⁵⁾ statement of comprehensive income (p. 13), statement of financial position (p. 14), statement of cash flows (p. 15), statement of changes in equity (p. 16), notes (p. 17–58) and auditor's report (p. 84–91).
- **Pöry's audited financial reports 2016:**⁶⁾ statement of comprehensive income (p. 12), statement of financial position (p. 13), statement of cash flows (p. 14), statement of changes in equity (p. 15), notes (p. 16–59) and auditor's report (p. 85–92).

Documents on display

The following documents can be downloaded on ÅF Pöry's website, www.afconsult.com. Copies of the documents can also be obtained at the head office of ÅF Pöry (ÅF Pöry, SE-169 99, Stockholm, Sweden) during the validity of this prospectus (regular office hours on business days).

- ÅF Pöry's Articles of Association.
- ÅF Pöry's annual reports for the financial years 2016–2018 (including auditor's reports).
- ÅF Pöry's subsidiaries' annual reports for the financial years 2017–2018.
- Pöry's financial reports for financial years 2016–2018 (including auditor's reports).

1) <http://www.afconsult.com/contentassets/b84a44bc7046464d97f0380dc65fe34d/annual-and-sustainability-report-2018.pdf>.

2) <http://www.afconsult.com/globalassets/ir/reports/annual-reports/annual-and-sustainability-report-2017.pdf>.

3) http://www.afconsult.com/globalassets/ir/reports/annual-reports/af_ar16eng_index.pdf.

4) <http://www.afconsult.com/globalassets/ir/pory-plc-annual-review-2018.pdf>.

5) <http://www.afconsult.com/globalassets/ir/pory-plc-annual-review-2017.pdf>.

6) <http://www.afconsult.com/globalassets/ir/pory-plc-annual-review-2016.pdf>.

Certain tax issues in Sweden

The following summary outlines certain Swedish tax consequences relating to the offer to subscribe for new shares for shareholders and holders of subscription rights in the Company. The summary is only applicable to individuals and limited liability companies (Sw. aktiebolag) tax resident in Sweden, unless otherwise stated. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not cover securities held by partnerships or held as current assets in business operations. Furthermore, the summary does not cover the specific rules on tax-exempt dividends and capital gains (including non-deductibility for capital losses) in the corporate sector, which may become applicable when shareholders hold securities that are considered to be held for business purposes (Sw. näringsbetingade andelar). Nor does the summary cover the special rules which may be applicable to holdings in companies which are, or previously were, closely-held companies, or to shares acquired pursuant to so-called qualified shares in closely-held companies. Moreover, the summary does not cover shares or other securities that are held in a so-called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on standardised taxation. Special rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares and subscription rights should, therefore, consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.

Individuals

Capital gains taxation

Upon the sale or other disposition of listed shares or other equity-related securities, such as subscription rights, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as capital income at a rate of 30 per cent. The capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis (for specific information about the tax basis for subscription rights, see “Exercise and disposal of subscription rights” below). The tax basis for all equity-related securities of the same class and type is calculated together in accordance with the “average cost method”. It should be noted that BTAs (paid subscribed shares) in this context are not considered to be of the same class and type as the existing shares that entitled the shareholder to the preferential right in the rights issue until the resolution of the rights issue has been registered with the Swedish Companies Registration Office.

Alternatively, upon the sale of listed shares, such as the shares in the Company, the tax basis may alternatively be determined as 20 per cent of the sales proceeds, after deducting sales costs, under the “notional rule”.

Capital losses on listed shares and other listed equity-related securities are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in securities funds or special funds that consist solely of Swedish receivables (Sw. räntefonder). Capital losses on shares and other equity-related securities

which cannot be set off in this way can be deducted with up to 70 per cent against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction is allowed with 30 per cent on the portion of such net loss that does not exceed SEK 100,000 and with 21 per cent on any remaining loss. Such net loss cannot be carried forward to future income years.

Dividend taxation

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 per cent. For individuals resident in Sweden, a preliminary tax of 30 per cent is generally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the Swedish nominee.

Exercise and disposal of subscription rights

The exercise of subscription rights does not give rise to any taxation. The acquisition cost for shares received is the issue price. If subscription rights used for subscribing for shares have been purchased or otherwise acquired (i.e., that have not been received based on a holding of existing shares) the tax basis for the subscription rights should be included when calculating the tax basis for the subscribed shares.

For shareholders that do not wish to utilise their preferential right to participate in the rights issue and therefore dispose of their subscription rights, a capital gain or loss is calculated. Subscription rights based on a holding of existing shares are considered to have been acquired at SEK 0. The total sales

proceeds, after deduction of sales costs, are thus taxable. The “notional rule” is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired, the price paid for the rights constitutes the tax basis. The “notional rule” may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is considered to have been disposed of at SEK 0.

Limited liability companies

Capital gains and dividends taxation

For Swedish limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as business income at a rate of 21.4 per cent (the corporate income tax rate will be reduced to 20.6 per cent from 1 January 2021). Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilised during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time.

Exercise and disposal of subscription rights

The exercise of subscription rights does not give rise to any taxation. The acquisition cost for shares received is the issue price. If subscription rights used for subscribing for shares have been purchased or otherwise acquired (i.e. that have not been received based on a holding of existing shares) the tax basis for the subscription rights should be included when calculating the tax basis for the subscribed shares.

For shareholders that do not wish to utilise their preferential right to participate in the rights issue, and therefore dispose of their subscription rights, a capital gain or loss is calculated. Subscription rights based on a holding of existing shares are considered to have been acquired at SEK 0. The total sales proceeds, after deduction of sales costs, are thus taxable. The “notional rule” is not applicable in this case. The tax basis for the original shares is not affected.

For subscription rights purchased or otherwise acquired, the price paid for the rights constitutes the tax basis. The “notional rule” may be applied on disposal of listed subscription rights in this case.

A subscription right that is not exercised or sold, and thus expires, is considered to have been disposed of at SEK 0.

Specific tax considerations for shareholders or holders of subscription rights who are not tax residents in Sweden

Withholding tax on dividends

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. The tax rate is 30 per cent. However, the tax rate is often reduced by tax treaties between Sweden and other countries for the avoidance of double taxation. The majority of Sweden's tax treaties allow for a reduction of the Swedish tax to the tax rate stipulated in the treaty directly at the payment of dividends, provided that necessary information is available in relation to the person entitled to such dividends. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee normally carries out the withholding. The receipt of subscription rights does not give rise to any obligation to pay withholding tax.

If a 30 per cent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if excessive 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 dividend distribution.

Capital gains taxation

Holders of shares and subscription rights not tax resident in Sweden and whose holding is not attributable to a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares or subscription rights. The holders may, however, be subject to tax 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 certain securities (such as shares, BTAs and subscription rights) if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

Selling and transfer restrictions

The distribution of subscription rights and the offer to subscribe for new shares in the Company by exercise of subscription rights as well as without subscription rights (the “Rights Issue”) to persons resident in, or who are citizens of, countries other than Sweden may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise subscription rights or to subscribe for new shares without subscription rights.

General

ÅF Pöry has not taken and will not take any action to permit a public offering of the new shares being issued in the Rights Issue (through the exercise of the subscription rights or otherwise) in any jurisdiction other than Sweden. Receipt of this prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus is for information only and must not be copied or redistributed.

Except as otherwise disclosed in this prospectus, if an investor receives a copy of this prospectus in any jurisdiction other than Sweden, the investor may not treat the prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the subscription rights, paid subscribed shares/ interim shares (*betalda tecknade aktier (BTA)/interimsaktier*) or new shares being granted or offered, respectively, in the Rights Issue (the “**Securities**”), unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Securities could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

Accordingly, if an investor receives a copy of this prospectus, the investor should not distribute or send the same, or transfer the Securities to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If any investor forwards this prospectus into any such jurisdictions (whether under a contractual or legal obligation or otherwise), such investor should draw the recipient's attention to the contents of this section. Except as otherwise expressly noted in this prospectus, the following applies:

- the Securities may not be offered, subscribed for, sold or transferred, directly or indirectly, to or in the United States, Australia, Canada, Hong Kong, Canada, New Zealand or any other jurisdiction in which it would not be permissible to offer the Securities or where such action would require additional prospectuses, registration or measures other than those pursuant to Swedish law (an “**Ineligible Jurisdiction**”, together the “**Ineligible Jurisdictions**”);
- the prospectus may not be sent to any person in any Ineligible Jurisdiction; and
- the transfer of subscription rights to an account of a shareholder or other person in an Ineligible Jurisdiction or of a citizen of an Ineligible Jurisdiction (referred to as “**Ineligible Persons**”) does not constitute an offer to such persons of new shares and Ineligible Persons may not exercise subscription rights.

If an investor subscribes for, receives, transfers, trades or otherwise deals in the Securities, that investor will be deemed to have made, or, in some cases, be required to make, among other things, the following representations and warranties to ÅF Pöry and any person acting on its behalf (unless such requirement is waived by ÅF Pöry):

- the investor is not located in an Ineligible Jurisdiction;
- the investor is not an Ineligible Person;
- the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- unless the investor is a holder of Shares and a QIB, the investor is located outside the United States, and any person for whose account or benefit it is acting on a non discretionary basis is located outside the United States and, upon acquiring Offer Shares, the investor and any such person will be located outside the United States;
- the investor understands that the Securities have not been or will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered, subscribed for, exercised, pledged, sold, resold, allotted, delivered or otherwise transferred within the United States, or for the account or benefit of persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act; and
- the investor may lawfully be offered, exercise, subscribe for and receive Securities in the jurisdiction in which it resides or is currently located.

ÅF Pöry and any person acting on its behalf will rely upon the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of subscription rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to ÅF Pöry with respect to the exercise of subscription rights on behalf of the holder. If such person does not or is unable to provide the aforementioned representations and warranties, ÅF Pöry will not be bound to authorise the allocation of any Securities to that person or the person on whose behalf the other is acting.

Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees, custodians and trustees) who is located outside of Sweden wishes to exer-

cise, deal in or subscribe for Securities, the investor must satisfy itself as to full observance of the applicable laws of any relevant jurisdiction including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any taxes due in such territories.

The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise subscription rights or otherwise subscribe for Securities, that investor should consult professional advisers without delay.

For shareholders who on the record date 27 March 2019 hold shares in ÅF Pöyry through financial intermediaries, all subscription rights will initially be credited to such financial intermediaries for such shareholders' accounts. A financial intermediary may not exercise any subscription rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of subscription rights to certify the same.

Subject to certain exceptions, financial intermediaries are not permitted to send this prospectus or any other information about the Rights Issue into any Ineligible Jurisdiction or to any Ineligible Person. The crediting of subscription rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of Securities to such persons. Nominees, which include banks, brokers, custodians and other financial intermediaries, holding for Ineligible Persons may consider selling any or all subscription rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions or certifications regarding subscription sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Securities will not be delivered to an addressee in any Ineligible Jurisdiction. ÅF Pöyry reserves the right to reject any exercise or revoke any accepted exercise made in the name of any person who provides an address in an Ineligible Jurisdiction for exercise or delivery of Securities, who does not or is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to ÅF Pöyry or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, ÅF Pöyry reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of subscription rights which appears to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this prospectus, ÅF Pöyry reserves the right to permit a holder to exercise its subscription rights if ÅF Pöyry in its absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described below. In any such case, ÅF Pöyry does not accept any liability for any actions that a holder takes or for any consequences that such holder may suffer by ÅF Pöyry's acceptance of the holder's exercise of subscription rights.

None of ÅF Pöyry, the Joint Global Coordinators, or any of their respective representatives is making any representation to any offeree, subscriber or purchaser of the Securities regarding the legality of an investment in the Securities by such offeree, subscriber or purchaser under applicable laws. Each investor should consult with its own advisors and make its independent

assessment of the legal, tax, business, financial and other consequences of a subscription or purchase of the Securities.

Investing in the Securities involves risks. See "Risk factors" for a discussion of risks that prospective investors should consider before investing in the Securities.

United States

The Securities have not been and will not be registered under the Securities Act or under the securities legislation of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Securities are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. Any offering of the Securities to be made in the United States will be made by the issuer and only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of investors who (i) are existing holders of shares in ÅF Pöyry, accredited investors as defined in Rule 501(a) under the Securities Act ("**Accredited Investors**") and qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBs**") and (ii) have executed and delivered an *investor letter*, in form and substance acceptable to ÅF Pöyry.

Accordingly, subject to certain limited exceptions, this document will not be sent to, and no subscription rights will be credited to, any shareholder with a registered address in the United States. In addition, ÅF Pöyry and the Joint Global Coordinators reserve the right to reject any instruction in respect of the Securities sent by or on behalf of any securities account holder with a registered address in the United States.

Up until 40 days after the expiration of the subscription period in the Rights Issue, an offer, sale or transfer of the Securities within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act. The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Each person to which Securities are distributed, offered or sold within the United States will, by accepting delivery of this prospectus or by its subscription for Securities, be deemed to have represented, acknowledged and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Securities, as the case may be, that, among other things:

1. it, and any account for which it is exercising any rights, is at the time of receipt of the prospectus, and at the time of any exercise by it of subscription rights, an existing shareholder of the Company, an Accredited Investor and a QIB.
2. it understands and acknowledges that the Rights Issue is made in reliance on an exemption from registration under the Securities Act and that none of the Securities have been or will be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below.

3. it understands that the subscription rights may only be transferred, assigned, sold or resold outside the United States in reliance on Regulation S under the Securities Act, and not in any case inside or into the United States.
 4. as a purchaser in a private placement of securities that have not been registered under the Securities Act, it may only acquire subscription rights, paid subscribed shares/Interim shares and new shares upon the exercise of such subscription rights, for its own account, or for the account of one or more other QIBs for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any such subscription rights or of any paid subscribed shares/Interim shares or new shares issuable upon exercise of the subscription rights.
 5. it understands and agrees that, although offers and sales in the United States of the subscription rights are being made only to QIBs, and that the subscription rights may be exercised only by QIBs in the United States, neither such offers and sales nor such exercises are being made under Rule 144A, and that if in the future it or any such other QIB for which it is acting, as described in paragraph 4 above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, pledge, hypothecate or otherwise transfer any subscription rights, or any paid subscribed shares/Interim shares or new shares issued upon the exercise of subscription rights, it and such other persons will do so only (i) pursuant to an effective registration statement under the Securities Act; (ii) with respect to paid subscribed shares/Interim shares or new shares, to a QIB in a transaction meeting the requirements of Rule 144A; (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such subscription rights, paid subscribed shares/Interim shares or new shares into the United States); or (iv) in the case of new shares issued upon the exercise of subscription rights, in accordance with Rule 144 under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for the resale of new shares.
 6. it understands that for so long as new shares issued upon the exercise of subscription rights are "restricted securities" within the meaning of U.S. federal securities laws, no such new shares may be deposited into any U.S. depository receipt facility established or maintained by a depository bank, other than a restricted depository receipt facility, and that such new shares will not settle or trade through the facilities of the Depository Trust Company or any other U.S. exchange or clearing system.
 7. it has received a copy of this prospectus and has had access to such financial and other information concerning ÅF Pöyry as it has deemed necessary in connection with making its own investment decision to exercise subscription rights and has consulted with its own independent advisers or otherwise satisfied itself concerning the legal, tax and other economic considerations related to exercising its subscription rights. It acknowledges and agrees that neither ÅF Pöyry nor the Joint Global Coordinators nor any person representing ÅF Pöyry or the Joint Global Coordinators has made any representation to it with respect to ÅF Pöyry or the offer in the Rights Issue other than as set forth in the prospectus. It will hold any offering materials, including the prospectus, it receives directly or indirectly from ÅF Pöyry or the Joint Global Coordinators in confidence, and it understands that any such information received by it is solely for it and may not be redistributed or duplicated by it. It acknowledges and agrees that the Securities have not been offered to it by ÅF Pöyry or the Joint Global Coordinators in any form of general solicitation or general advertising (in the meaning set forth in Regulation D under the Securities Act).
 8. it, and each other QIB, if any, for whose account it may acquire subscription rights, paid subscribed shares/Interim shares or new shares, in the normal course of business, invests in or purchases securities similar to the Securities, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring subscription rights and new shares and is aware that it must bear the financial risk of an investment in each subscription right and any paid subscription share and new share for an indefinite period of time and is able to bear such risk for an indefinite period.
 9. it understands that these representations and undertakings are required under United States securities laws and irrevocably authorises ÅF Pöyry and the Joint Global Coordinators to produce these undertakings and the investor letter to any interested parties in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.
 10. it represents that if, in the future, it offers, resells, pledges or otherwise transfers the Securities, it shall notify such subsequent transferee of the transfer restrictions set out herein.
 11. it is not an affiliate (as defined in Rule 501(b) under the Securities Act) of ÅF Pöyry, and is not acting on behalf of an affiliate of ÅF Pöyry.
 12. it understands and acknowledges that ÅF Pöyry, the Joint Global Coordinators and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.
- In addition, each person exercising subscription rights or otherwise subscribing for new shares will be deemed to have acknowledged and agreed that:
- (a) no person is authorised to give any information or make any representations other than those contained in the prospectus and, if given or made, such information or representations will not be relied upon as having been authorised by ÅF Pöyry or the Joint Global Coordinators, nor will ÅF Pöyry or the Joint Global Coordinators have any liability or responsibility therefore.
- Each person to which Securities are distributed, offered or sold outside the United States will, by its subscription for, or purchase of, Securities, be deemed to have represented and agreed, on

its behalf and on behalf of any investor accounts for which it is subscribing for Securities, as the case may be, that:

- it is acquiring the Securities from ÅF Pöry in an “*offshore transaction*” as defined in Regulation S under the Securities Act; and
- the Securities have not been offered to it by ÅF Pöry by means of any “*directed selling efforts*” as defined in Regulation S under the Securities Act.

Agreement of confidentiality

Any recipient of this document in the United States is hereby notified that this document is being furnished to it on a confidential basis and must not be reproduced, resent or otherwise redistributed, in whole or in part, under any circumstances. Furthermore, recipients are authorised to use this document solely for the purpose of considering a subscription for Securities and may not disclose any of the contents of this document or use any information herein for any other purpose. This document is personal to each recipient and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities. Any recipient of this document agrees to the foregoing by accepting delivery of this document.

Enforcement of liabilities and service of process

ÅF Pöry is a Swedish limited liability company. The majority members of the board of directors and the steering group are resident outside the United States. A substantial portion of the assets of ÅF Pöry and such persons are located outside the United States. As a result, it may not be possible for investors to serve writ of summons upon ÅF Pöry or such persons or to enforce against them in U.S. courts judgments obtained in such courts. Original actions, or actions for the enforcement of judgments of a U.S. court, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favour such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit to the Swedish court the final judgment that has been rendered in the United States. Although a judgment by a federal or state court in the United States against the Company or the Group will neither be recognised nor enforced by a Swedish court, it may serve as evidence in a similar action in a Swedish court.

EEA

Within the European Economic Area (“**EEA**”), no public offering of Securities is made in other countries than Sweden. In other member states of the EEA which have implanted the Prospectus Directive, any offer of Securities may only be made to “qualified investors” as defined in Article 2.1 e) of the Prospectus Directive, or under other circumstances which do not require ÅF Pöry to publish any additional prospectuses in the relevant member state under Article 3 of the Prospectus Directive. Each recipients of this prospectus will be considered to have represented and

guaranteed that they do not have or will not make any offer to the public in any member state of the EEA.

The term “public offering” refers to the definition under Article 2.1 d) of the Prospectus Directive. The term “Prospectus Directive” means European Parliament and Council Directive 2003/71/EC as well as any relevant implementing measures (including measures for the implementation of European Parliament and Council Directive 2010/73/EU amending the Prospectus Directive, etc.) in the relevant member state.

Other jurisdictions

The Securities have not been and will not be registered in Australia, Canada, Hong Kong, Canada, New Zealand or any other jurisdiction outside Sweden and may not be offered, subscribed for, exercised, pledged, sold, resold, delivered or otherwise transferred, directly or indirectly, in or to any such jurisdiction other than in such exceptional cases when a prospectus would not be required under applicable laws and regulations of such jurisdiction.

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