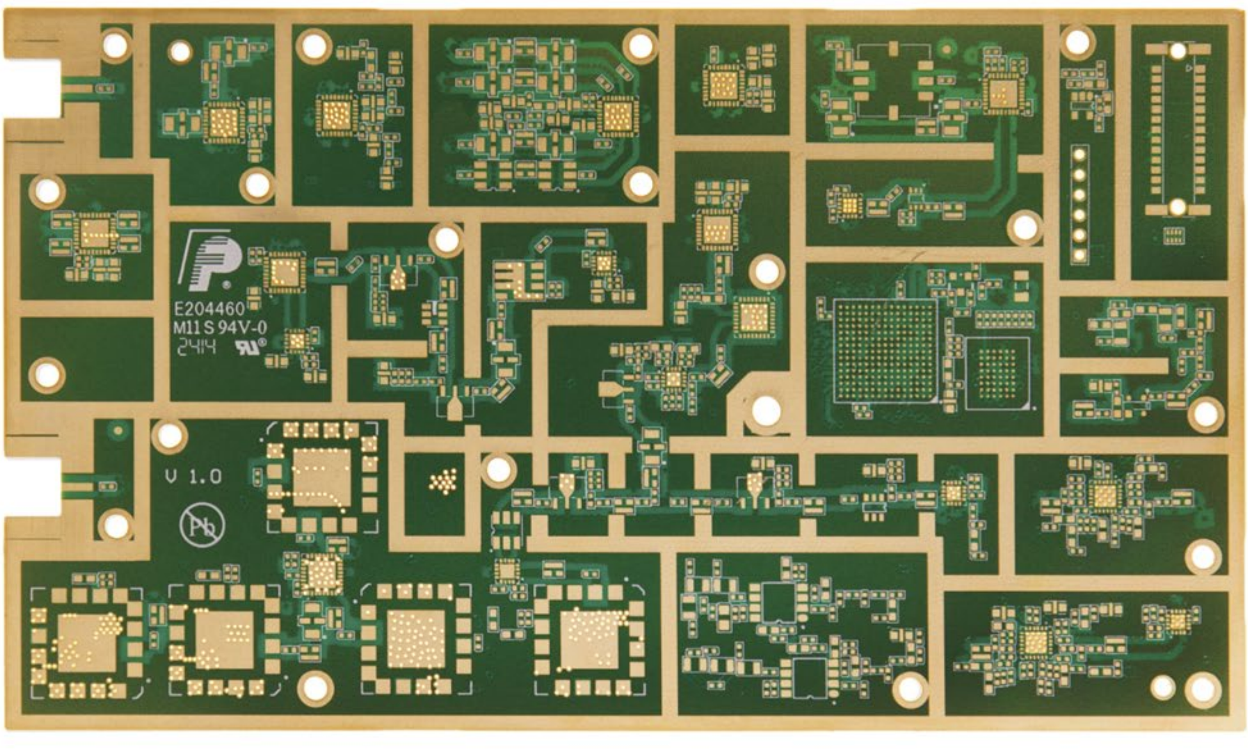
Invitation to acquire shares in NCAB Group AB (publ)



IMPORTANT INFORMATION

INFORMATION FOR INVESTORS

This offering circular (the "Offering Circular") has been prepared in connection with the offering to the public in Sweden and the application for admission to trading on Nasdaq Stockholm of the shares in NCAB Group AB (publ) (a Swedish public limited liability company) (the "Offer"). The "Company" refers to NCAB Group AB (publ) and "NCAB" or the "Group" refers to the group of which NCAB Group AB (publ) is the parent company. The term "Principal Shareholders" refers to R12 Kapital AB ("R12"), Gogoy AB ("Gogoy") and Hans Ståhl. "Selling Shareholders" refer to the Principal Shareholders, as well as a number of other shareholders, including certain members of the board of directors and executive management selling shares in the Offer. "Manager" refers to Carnegie Investment Bank AB (publ). For more defined terms, please see the section "*Definitions*".

The Offer is not intended for the public in countries other than Sweden and such other jurisdictions in the European Economic Area in which the Company, at its own discretion, may resolve to take necessary actions in order to make a public offer permitted. Nor is the Offer intended for persons whose participation requires additional prospectuses, registrations or other measures other than those required by Swedish law. The Offering Circular, the application form and/or other documents connected to the Offer may not be distributed in any country where the Offer requires measures as described above or contravenes the rules in these countries. No measure has been nor will be taken in any jurisdiction besides Sweden that would allow an offering of shares to the public, holdings of shares, distribution of the Offering Circular or other information relating to the Offer, the Company or the shares in any such jurisdiction. Applications to acquire shares in violation of the above may be deemed invalid. Persons receiving copies of the Offering Circular are required, by the Company and the Manager, to inform themselves about, and comply with, such restrictions. Neither the Company, the Principal Shareholders nor the Manager assume any legal responsibility for any violations of such restrictions, irrespective of whether such violations are made by a potential investor or anyone else. Neither the Company nor the Manager have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the Manager which constitute the final placement of shares contemplated in the Offering Circular.

The shares included in the Offer have not been recommended by any United States federal or state authority. Moreover, no such authority has confirmed the correctness or reviewed the suitability of the Offering Circular. Any representation to the contrary is a criminal offence in the United States. The shares in the Offer have not been registered and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act"), or under any U.S. state securities laws. The shares in the Offer are being offered and sold outside the United States in accordance with Regulation S under the Securities Act. The shares must not be offered or sold in the United States and the Offering Circular should not be distributed in the United States, except in reliance on exemptions from, or in transactions not subject to, the registration requirements in the Securities Act, and in accordance with applicable state securities legislation.

The Offer and the Offering Circular are regulated by Swedish law. Disputes arising from the Offer or the Offering Circular shall be settled exclusively by Swedish courts.

A Swedish language prospectus (the "Prospectus") has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the regulations in Sections 25 and 26 Chapter 2 of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*). Approval and registration do not imply that the Swedish Financial Supervisory Authority guarantees that the factual information in the Prospectus is correct or complete. This Offering Circular is a translation of the Prospectus, excluding the section terms and instructions (Sw. *Villkor och anvisningar*). In the event of discrepancies between the Prospectus and the Offering Circular, the Prospectus shall prevail.

STABILIZATION

In connection with the Offer, the Manager may, to the extent permitted under Swedish law, carry out transactions in order to stabilize, maintain, or otherwise support the market price of the Company's shares for up to 30 days after the first day of trading in the Company's shares on Nasdaq Stockholm. The Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those which might otherwise prevail in the open market. The Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such stabilization transactions may be effected on any securities market, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice, but must be ended upon the expiry of the above-mentioned 30-day period. No later than by the end of the seventh trading day after stabilization transactions have been undertaken, the Manager shall disclose that the stabilization transactions have been undertaken in accordance with Article 5(4) in EU's Market Abuse Regulation 596/2014 and Commission Delegated Regulation (EU) 2016/1052 supplementing Regulation (EU) No 596/2014 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures, Chapter III. Within one week of the end of the stabilization period, the Manager will make public whether or not stabilization was undertaken, the date on which stabilization commenced, the date on which stabilization last occurred, and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out. Except as required by law or regulation, the Manager will not disclose the extent of any stabilization and/or over-allotment transactions concluded in relation to the Offer.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise stated herein, no financial information in the Offering Circular has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Offering Circular and that is not a part of the information that has been audited or reviewed by the Company's auditor as stated herein, has been collected from the NCAB's internal accounting and reporting system. Some of the key performance indicators presented in the Offering Circular are so-called non-IFRS financial measures, i.e. financial measures that are not measures defined under IFRS. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These non-IFRS measures should not be considered in isolation or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies.

Figures recognized in the Offering Circular have in some cases been rounded and therefore the tables do not necessarily always add up exactly. All financial figures are presented in Swedish kronor ("SEK") unless otherwise specified.

FORWARD-LOOKING INFORMATION

The Offering Circular contains forward-looking statements. Forward-looking information refers to all statements in the Offering Circular which do not refer to historical facts and events, and statements which are attributable to the future, such as expressions as "deem", "assess", "expect", "await", "judge", "assume", "predict", "can", "will", "shall", "should or ought to", "according to estimates", "consider", "may", "plan", "potential", "calculate", "as far as is known" or similar expressions suitable for identifying information that refers to future events. This applies in particular to statements in the Offering Circular referring to future results, financial position, cash flow, plans and expectations for NCAB's business and management, future growth and profitability and general economic and regulatory environment and other circumstances which affect NCAB.

Forward-looking statements are based on current estimates and assumptions which are based on the Company's current intelligence. Such future looking statements are subject to risks, uncertainties and other factors which may result in actual results, including NCAB's financial position, cash flow and profitability, deviating considerably from the results which expressly or indirectly form the basis of, or are described in, statements, or may result in the expectations which, expressly or indirectly, form the basis of or are described in statements not being met or turning out to be less advantageous compared to the results, which expressly or indirectly formed the basis of or were described in the statements.

NCAB's business is exposed to a number of risks and uncertainties which may result in forward-looking statements being inaccurate or an estimate or calculation being incorrect. Therefore, potential investors should not place undue reliance on the forward-looking statements herein and are strongly advised to read the following sections in the Offering Circular: "*Summary*", "*Risk factors*", "*Market overview*", "*Business overview*", "*Selected financial information*" and "*Operating and financial review*", which include a more detailed description of factors which have an effect on NCAB's business and the market in which NCAB operates. The Company, the Principal Shareholders and the Manager cannot in any way guarantee the correctness of the statements about future events made herein or as concerns the actual outcome of any predicted developments.

The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based, unless required to do so by applicable law or by Nasdaq Stockholm's Rule Book for Issuers. All subsequent forward-looking statements, written and oral, attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in the Offering Circular, including those set forth in the section "*Risk factors*".

INDUSTRY AND MARKET INFORMATION

This Offering Circular contains statistics, data and other information relating to markets, market sizes, market shares, market environment, market positions, market developments, growth rates, market trends and the competitive situation in the markets and segments in which the Company operates and other industry data relating to the Company's business and markets.

Unless otherwise indicated, such information is based on data, statistical information, industry reports and other third party studies as well as on the Company's own estimates and analyses of multiple sources. Sources of information include but are not limited to; a Market review prepared by Ernst & Young AB ("EY") dated 21 November 2017 ("EY Market Review November 2017"), Prismark's Printed Circuit Board Reports, IPC's World PCB Production Reports and information otherwise obtained. The Market Review is not publicly available. Information sourced from third parties has been accurately reproduced and as far as the Company is aware and is able to ascertain from other information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Some of the industry and market data obtained from third party sources has been specifically commissioned by the Company, including EY's Market Review. Information sourced as EY's Market Review has been developed through a multi-faceted process of triangulation of available published market research and market analyses (for example Prismark's Printed Circuit Board Reports and IPC's World PCB Production Reports), official statistics (for example Eurostat's database and Capital IQ's database) and industry interviews (approximately 70 performed). Furthermore, EY's Market Review is based on information that was available at the time of the preparation and has not been subsequently confirmed or updated. Consequently, the information sourced as EY's Market Review should be considered as estimates in a complex market at the time of the preparation of EY's Market Review. While the Company believes that such publications, studies and surveys have been prepared by a reputable source, the Company has not independently verified such data. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Industry and market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. EY accept no responsibility or liability to any person regarding EY's Market Review or other industry and market data that has come from third party sources. Reliance upon any information where EY's Market Review or other third party sources is quoted as the source is at your own risk.

IMPORTANT INFORMATION RELATING TO SALE OF SHARES

Allotment is expected to occur on 4 June 2018. Shortly thereafter, transfer notes will be sent to those that have received allotment in the Offer. After payment for the allotted shares has been administered by Carnegie, Avanza and Nordnet, properly paid-up shares will be transferred to the securities account, service account, securities depository account or investment savings account designated by the purchaser. Due to the time required for the distribution of transfer notes, the transfer of payment and delivery of acquired shares to such purchasers, the acquired shares will not be available to the purchasers on the designated securities account, designated service account, designated securities depository account or designated investment savings account before, on or about 8 June 2018 or a few days later.

It is expected that trading in the shares on Nasdaq Stockholm will commence on or about 5 June 2018. The fact that the shares in some cases will not be available on the purchaser's securities account, service account, securities depository account or investment savings account prior to, at earliest, 8 June 2018, could mean that the purchaser will not have the opportunity to sell the shares via the exchange commencing on the day on which trading in the shares begins but, rather, only when the shares have been made available on the securities account, service account, securities depository account or investment savings account. Purchasers may receive notification of allotment from on or about 5 June 2018 from Carnegie.

Contents

Summary	2
Risk factors	11
Invitation to acquire shares in NCAB Group AB (publ)	17
Background and reasons	18
Market overview	19
Business overview	24
Selected financial information	32
Operating and financial review	41
Capitalization, indebtedness and other financial information	49
Board of directors, executive management and auditors	51
Corporate governance	54
Share capital and ownership	58
Articles of association	61
Legal considerations and supplementary information	62
Tax considerations in Sweden	66
Historical financial information	67
Glossary	A-1
Definitions	A-2
Addresses	A-3

The Offer in brief

Indicative timetable

Application period (for the public in Sweden): 25 May – 1 June 2018
Application period (institutional offering): 25 May – 4 June 2018
Listing on Nasdaq Stockholm: 5 June 2018
Settlement date: 8 June 2018

Miscellaneous

ISIN: SE0011167956
Trading symbol at Nasdaq Stockholm: NCAB

Number of shares offered

The Offer comprises up to 1,333,334 newly issued shares and up to 5,941,657 shares in the Company offered by the Selling Shareholders. R12 Kapital AB ("R12") and Gogoy AB ("Gogoy") have reserved the right to increase the Offer by an additional maximum of 1,641,025 shares. In addition, The Principal Shareholders have granted an option (the "Over-allotment Option") to the Manager to purchase up to 1,337,402 additional shares from the Principal Shareholders to cover any potential over-allotment in connection with the Offer. Provided that the Offer is increased in full and that the Over-allotment Option is exercised in full, the Offer will comprise up to 10,253,418 shares, which corresponds to approximately 60.9 percent of the total number of shares in the Company.

Offer price

The price in the Offer is SEK 75 per share. The price in the Offer has been determined by the board of directors and the Principal Shareholders in consultation with the Manager on basis of discussions preceding the commitments by the Cornerstone Investors, contacts with certain other institutional investors, current market conditions and comparison with the market price for comparable listed companies' shares.

Summary

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for these type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be included in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In that case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS

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

SECTION B – ISSUER

B.1	Legal and commercial name	NCAB Group AB (publ) is the legal and commercial name of the Company, corporate registration number 556733-0161.
B.2	Domicile, legal form, legislation and country of incorporation	The issuer is a Swedish public limited liability company incorporated in Sweden under Swedish law and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company has its registered office in Stockholm.
B.3	Current operations and principal activities	NCAB is a full-service supplier of PCBs (i.e. printed circuit boards) with local presence in 15 countries and sales in 45 countries. NCAB offers a broad range of PCBs which, after receiving a customer order, are sourced from external manufacturers, predominantly located in China. NCAB delivers added value to its customers through its own concept of "Integrated PCB production". This concept means that NCAB takes the whole responsibility towards the customer – from design support, via prototyping, production and quality control to delivery – as opposed to a basic trader, which generally acts as an outsourced purchasing function. NCAB's customers interact with NCAB and not with the manufacturers. By using NCAB, the customers can source PCBs, especially in the high-mix low-volume ("HMLV") segment, more efficiently, and can thus lower the costs for handling purchasing, freight, quality control, returns and claims. NCAB owns no production facilities. Instead NCAB purchases its products from a network of manufacturers. NCAB currently has 18 preferred manufacturers, 13 of which are located in China. NCAB's five other preferred manufacturers are located in Europe and the U.S. and are used primarily for prototyping and for orders with very short lead times. Through its manufacturer network, NCAB can offer its customers almost all types of PCBs. In order to ensure high flexibility, capacity, capability and strong purchasing power in its customer offering, NCAB strives to multi-source all PCB technologies, i.e. to have several different manufacturers in its network that can offer PCBs in each technology. Through multi-sourcing, NCAB can offer high capacity and quality as well as low prices and short lead times in almost any PCB technology that the customer requests.

B.4a	Recent trends in the industry	**Growth in underlying demand of electronics systems** Growth in the value of electronic systems is driven by increased digitalization across end-industries. The value of electronic systems in relevant end-industries including med-tech, automotive, industrial, aerospace and defense, telecom and ”3C”[1] are all expected to grow at approximately 4 percent per annum until 2021 globally.[2] **Consolidation of manufacturers in China** There is an ongoing trend of consolidation of PCB production and manufacturers in China, mainly through larger manufacturers outgrowing the market, making it increasingly difficult for customers to receive favorable terms unless they are a significant customer to the growing manufacturers. This is expected to amplify the importance of traders' roles in aggregating of customer demand, and is expected to drive growth in the trader niche. At the same time the growing manufacturers often try to gain market shares by bypassing traders and sell directly to larger customers. **Domestic production decreasing in Europe, North America and South America** In 2000 European, North American and South American manufacturers accounted for 42 percent of total PCB production worldwide. In 2016 the corresponding figure was 9 percent. China's share of the global production increased from approximately 8 to 50 percent during the same period. The large movement between 2000 and 2016 is mainly related to production in the high-volume segment, while the production that is still remaining in Europe and North America primarily relates to the HMLV segment. The production is now moving to Asia at a slower pace than previously, however, the decreasing domestic production is today largely concentrated to the remaining HMLV production.[3] **Stabilizing PCB prices** Over the last years, PCB prices have been pressured, primarily due to capacity increases and exchange rate fluctuations. A better balance in global supply and demand as well as adjusted price levels between markets are expected. The average prices of PCBs are expected to stabilize, as a result of the price pressure on PCBs being offset by an increased share of more expensive high-tech PCBs. Production costs are expected to be stable, as increased cost for material, staff and regulatory compliance is anticipated to be offset by further automation and process improvements. Electronics face a constant price pressure which is partly channeled down to PCB manufacturers, especially in the high-volume segment.[4]
B.5	Group structure	NCAB Group AB (publ) is the parent company of the Group, which comprises of 16 directly and indirectly owned subsidiaries. All of the subsidiaries are wholly owned except one.
B.6	Notifiable interests, different voting rights and controlling interests	In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (so-called ”flagging”) is 5 percent of all shares or voting rights in respect of all shares. The table below shows shareholders with holdings corresponding to at least 5 percent of the shares and voting rights in the Company as of 4 May 2018 and known changes thereafter. The number of held ordinary shares, preference shares and underlying shares under warrants (which will be exercised in connection with the offer) have been aggregated in the table.

	Shareholding prior to completion of the Offer		**Shareholding after completion of the offer**	
Shareholder	***Number of shares[1]***	***%***	***Number of shares[4]***	***%***
R12 Kapital AB ("R12")[2, 5]	9,584,965	61.8 %	3,683,766	21.9 %
Gogoy AB ("Gogoy")[3, 6]	1,355,200	8.7 %	520,841	3.1 %
Hans Ståhl[7]	1,243,630	8.0 %	860,795	5.1 %
David Wolff[7]	1,005,000	6.5 %	15,000	0.1 %
Other shareholders	2,324,995	15.0 %	1,513,304	9.0 %
New shareholders	0	0.0 %	10,253,418	60.9 %
Total	**15,513,790**	**100.0 %**	**16,847,124**	**100.0 %**

1) Total holdings of ordinary shares, preference shares and warrants. The preference shares and warrants will be converted to and exercised for subscription of ordinary shares on or about 8 June and each preference share and warrant corresponds to one ordinary share. See also the section "*Share capital and ownership*".
2) Hans Ramel holds 10.7 % of the shares and 36.0 % of the votes, and Per Hesselmark holds 10.1 % of the shares and 35.7 % of the votes in R12.
3) Christian Salamon holds 100 % of the shares in Gogoy.
4) Based on the assumption that the Offer is increased in full and that the Over-allotment Option is exercised in full.

Business addresses:
5) Riddargatan 12, SE-114 35 Stockholm, Sweden.
6) Grönviksvägen 29, SE-167 71 Bromma, Sweden.
7) Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden.

Fjärde AP-Fonden (AP4), Tredje AP-fonden (AP3), Länsförsäkringar Fondförvaltning AB (LF Fondförvaltning), Lazard Asset Management Deutschland GmbH (Lazard GmbH) and C WorldWide Asset Management Fondmaeglerselskab A/S Danmark filial Sverige (C WorldWide) (together, the "Cornerstone Investors") have committed to, subject to certain conditions, acquire shares in the Offer, at a value of SEK 257.5m divided between 3,433,334 shares, corresponding to approximately 20.4 percent of the total number of shares in the Company after the Offer.

In addition Gunilla Rudebjer, Magdalena Persson and Gunilla Öhman have committed to acquire shares in the Offer at a value of SEK 949,950, divided between 12,666 shares.

1) 3C: Cellphones, Computers and peripherals and Consumer goods.
2) EY Market Review November 2017.
3) EY Market Review November 2017.
4) EY Market Review November 2017.

B.7	Selected financial information	Unless otherwise stated, the selected financial information presented below has been derived from (i) NCAB's audited consolidated financial statements as of and for the financial years ended 31 December 2017, 2016 and 2015 which have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU ("IFRS"), and audited by NCAB's independent auditors, in accordance with what is stated in their report (RevR5) which is included in the historical financial statements and (ii), as regards information for the first quarter of 2017 and 2018, NCAB's reviewed interim report for the period 1 January to 31 March 2018, prepared in accordance with IAS 34. Financial information referred to as "audited", in the tables below, has been derived from the audited consolidated financial statements mentioned above. Information referred to as "unaudited" has been derived either from NCAB's unaudited interim financial information or internal reporting system, or has been calculated based on such information.

Consolidated statement of profit or loss

	For the three-month period ended 31 March		Year ended 31 December		
	2018	**2017**	**2017**	**2016**	**2015**
(SEK, thousands)	*Unaudited*		*Audited*		
Operating revenue					
Net sales	374,434	353,985	1,400,039	1,218,719	1,200,296
Other operating income	229	233	246	7,227	2,398
Total	**374,663**	**354,218**	**1,400,285**	**1,225,945**	**1,202,694**
Raw materials and consumables	-260,844	-246,618	-977,814	-854,969	-872,761
Other external expenses	-25,544	-20,841	-92,856	-85,621	-81,992
Staff costs	-53,703	-49,746	-210,154	-181,005	-167,543
Depreciation of property, plant and equipment, and amortization of intangible assets	-2,214	-2,052	-8,540	-8,573	-8,429
Other operating expenses	-2,379	-	-45,345	-	-
Total operating expenses	**-344,684**	**-319,257**	**-1,334,709**	**-1,130,168**	**-1,130,725**
Operating profit	**29,979**	**34,961**	**65,576**	**95,777**	**71,969**
Net financial expense	**-4,388**	**-1,217**	**-5,624**	**-13,283**	**-4,760**
Profit before tax	**25,591**	**33,744**	**59,952**	**82,494**	**67,209**
Income tax	-4,530	-4,154	-19,591	-17,431	-12,414
Net profit for the period	**21,061**	**29,590**	**40,361**	**65,063**	**54,795**
Profit attributable to:					
Shareholders of the parent company	21,014	29,539	40,305	64,995	54,691
Non-controlling interests	47	51	56	68	104
Average number of ordinary shares*	12,214,170	12,055,170	12,156,330	12,055,170	11,884,540
Average number of preference shares*	2,912,620	2,912,620	2,912,620	2,912,620	2,912,620
Average total number of shares*	15,126,790	14,967,790	15,068,950	14,967,790	14,797,160
Earnings per share before dilution, SEK*	1.33	1.91	2.42	4.09	3.44
Earnings per share after dilution, SEK*	1.31	1.87	2.38	4.00	3.36

*Adjusted for split 10:1.

B.7 Selected financial information, cont.

Consolidated balance sheet

(SEK, thousands)	31 March 2018	31 March 2017	31 December 2017	31 December 2016	31 December 2015
	Unaudited	*Unaudited*	*Audited*	*Audited*	*Audited*
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	129,966	132,583	129,385	133,330	129,933
Other intangible assets	6,903	13,065	8,085	12,871	17,469
Total intangible assets	**136,869**	**145,648**	**137,470**	**146,201**	**147,402**
Property, plant and equipment					
Expenses relating to improvements to third party's property (Improvements to third party's property)	1,812	1,054	1,855	1,097	722
Plant and equipment	4,948	5,288	4,920	6,612	3,111
Total property, plant and equipment	**6,760**	**6,342**	**6,775**	**7,709**	**3,833**
Financial assets					
Financial assets	1,102	467	1,003	463	334
Total financial assets	**1,102**	**467**	**1,003**	**463**	**334**
Deferred tax assets	746	1,796	750	1,858	3,402
Total non-current assets	**145,477**	**154,254**	**145,998**	**156,231**	**154,971**
Current assets					
Inventories					
Raw materials and consumables	83,088	55,871	97,455	89,223	85,594
Total inventories	**83,088**	**55,871**	**97,455**	**89,223**	**85,594**
Current receivables					
Trade receivables	305,337	262,031	254,347	231,118	194,036
Other current receivables	20,186	6,329	15,933	6,513	7,841
Prepaid expenses and accrued income	8,851	15,052	9,365	10,315	4,301
Cash and cash equivalents	27,745	39,667	31,206	39,856	30,776
Total current receivables	**362,119**	**323,079**	**310,851**	**287,802**	**236,954**
Total current assets	**445,207**	**378,951**	**408,306**	**377,025**	**322,548**
TOTAL ASSETS	**590,684**	**533,205**	**554,304**	**533,256**	**477,519**

B.7 Selected financial information, cont.

Consolidated balance sheet, *cont.*

	31 March		31 December		
	2018	**2017**	**2017**	**2016**	**2015**
(SEK, thousands)	*Unaudited*		*Audited*		
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the parent company					
Share capital	1,541	1,505	1,513	1,497	1,497
Additional paid-in capital	119,540	116,474	117,588	115,323	115,322
Reserves	-2,493	-1,061	-7,343	-1,455	-15,041
Retained earnings	12,790	73,721	-5,512	44,181	-20,815
Non-controlling interests	184	197	137	146	179
Total equity	**131,562**	**190,833**	**106,383**	**159,692**	**81,143**
LIABILITIES					
Non-current liabilities					
Borrowings	73,319	69,808		78,445	106,712
Deferred tax	3,454	2,310	3,454	2,310	1,100
Total non-current liabilities	**76,773**	**72,118**	**3,454**	**80,755**	**107,812**
Current liabilities					
Other provisions	-	-	17,595	-	-
Current liabilities	107,574	51,133	165,064	49,335	84,060
Trade payables	199,511	165,020	192,893	174,445	149,113
Current tax liabilities	7,269	2,735	7,117	9,269	6,392
Other current liabilities	31,159	24,956	19,426	20,281	14,426
Accrued expenses and deferred income	36,836	26,409	42,372	39,479	34,573
Total current liabilities	**382,349**	**270,253**	**444,467**	**292,809**	**288,564**
Total liabilities	**459,122**	**342,371**	**447,922**	**373,563**	**396,376**
TOTAL EQUITY AND LIABILITIES	**590,684**	**533,205**	**554,304**	**533,256**	**477,519**

Significant changes to NCAB's financial condition and operating results during the period from 1 January 2015 to 31 March 2018

Net sales increased by SEK 181.3m in 2017, from SEK 1,218.7m to SEK 1,400.0m. The gross margin was 30.2 percent (compared to 30.4 percent in 2016) while the operating profit decreased to SEK 65.6m (compared to SEK 95.8m in 2016). Earnings include IPO preparation costs of SEK 11.6m as well as settlement costs, including legal costs, of SEK 31.9m related to a tax dispute with the Russian tax authority.

Due to the provisions for unforeseen costs in the tax dispute in Russia, the Company was unable to meet the covenant relating to equity/assets ratio in its loan agreement with the bank as at the closing date. The other loan covenants were met during the period. In accordance with IFRS, all bank loans have therefore been classified as current liabilities as at the closing date. After the end of the reporting period the Company has received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first and second quarters of 2018. As of the first quarter of 2018 the bank loans will therefore again be accounted for as non-current liabilities.

Significant changes to NCAB's financial condition and operating results after 31 March 2018

There have been no significant changes in NCAB's financial condition and operating results after 31 March 2018.

B.8 Selected pro forma financial information

Not applicable. The Company has not presented any selected pro forma financial information.

B.9 Profit forecasts

Not applicable. The Company has not presented any profit/loss forecast.

B.10 Audit report qualifications

The Company's auditor made a remark regarding that tax and social fees had not been paid in time in the audit report in respect of the 2015 consolidated annual report. The remark was worded as follows:

Without it having an effect on our statements, we would like to remark on that deducted tax and social fees on several occasions were not paid in due time. The neglect has not caused any material harm for the company, except for interest on late payments.

There are no other remarks in the audit reports.

B.11	Insufficient working capital	Not applicable. It is the Company's opinion that the Company's working capital is sufficient for the Company's requirements for at least the 12 months following the date of the Offering Circular. Working capital in this regard is considered as the Company's ability to access cash and cash equivalents in order to meet its liabilities as they fall due.

SECTION C – SECURITIES

C.1	Securities being offered	The Offer comprises shares in NCAB Group AB (publ) (ISIN SE0011167956).
C.2	Currency	The shares are denominated in Swedish kronor (SEK).
C.3	Number of issued shares and par value	As of the date of the Offering Circular, the Company has issued a total number of 15,411,790 shares with a quotient (par) value of SEK 0.10 per share, divided into one class of preference shares and one class of ordinary shares. All outstanding shares are fully paid. The preference shares will be converted to ordinary shares upon listing, whereafter the Company will have one share class.
C.4	Rights attached to the securities	Each share in the Company will, following completion of the Offer, entitle the holder thereof to one (1) vote at general meetings. All shares will at that time carry equal rights to the Company's assets and profits upon liquidation and distribution of dividends. The shares entitle the holder the right to dividend for the first time as of the record date for a distribution that occurs after the listing of the shares. Persons registered as owners in the share register maintained by Euroclear Sweden AB ("Euroclear) on the record date determined by the general meeting are entitled to dividend.
C.5	Transferability restrictions	Not applicable. The shares are not subject to any restrictions on transferability.
C.6	Admission to trading on a regulated market	Nasdaq Stockholm's listing committee decided on 2 May 2018 to admit NCAB Group AB (publ)'s shares to trading on Nasdaq Stockholm, subject to customary conditions, such as that the dispersion requirements in respect of the Company's shares are fulfilled no later than the first day of trading. Trading is expected to begin on or about 5 June 2018. Trading symbol at Nasdaq Stockholm is NCAB.
C.7	Dividend policy	NCAB intends to distribute available cash flow, after taking into account the Company's indebtedness as well as future growth opportunities, including acquisitions, which is expected to correspond to at least 50 percent of net profit.

SECTION D – RISKS

D.1	Key risks specific to the issuer and its industry	Key risks relating to the Company and its business include: **The demand for PCBs is dependent on general economic conditions and the activity within relevant markets and different end-industries. A decreasing demand from those end-industries could affect NCAB's sales adversely.** The demand for PCBs, and thereby also NCAB's sales, is dependent on the general economic conditions and, in particular, the activity in the end-industries of customers that purchase PCBs. NCAB's products are used in a wide variety of end-industries, such as industrial, telecom, med-tech, aerospace and defense. Declining general economic conditions or decreasing activity in the relevant end-industries could adversely affect the demand for PCBs in NCAB's markets, and thereby also have a material adverse effect on NCAB's business, results and financial condition. **The Group operates in competitive markets and customers may choose to purchase PCBs from another supplier.** The market for distributing and selling PCBs is competitive and NCAB faces competition both from trading companies and manufacturers, operating on a regional, national and multi-national level. The principal competitive factors in NCAB's business include quality and quality control, price, design and technical support, purchasing power (i.e. being a purchaser that receives favorable terms from, and is prioritized by, manufacturers), the range of products at offer, ability to make on-time deliveries and access to volume capability. If NCAB fails to meet its customers' requirements in relation to any of these factors, or if a competitor is perceived to provide a better offering than NCAB, customers may choose to purchase PCBs from another supplier. Some of NCAB's suppliers compete with NCAB through direct sales to customers. Consequently, there is a risk that NCAB's customers purchase PCBs directly from the manufacturers, that NCAB's manufacturers try to solicit NCAB's customers, and that NCAB's manufacturers make strategic decisions to stop selling to NCAB and other traders in order to focus on direct sales only.

D.1	Key risks specific to the issuer and its industry, cont.	**NCAB may be affected by changing supply/demand ratios, for example as a result of shifts in product technology or during periods of extraordinary demand.** NCAB is exposed to shifts in demand and/or supply of PCBs. Demand could be affected by shifts in technology. Furthermore, there is a risk that the supply of PCBs would be adversely affected by, for example, local instability in China or a recession which could cause bankruptcy for manufacturers of PCBs. In addition, the demand for PCBs could decrease due to shortage of components used when assembling PCB-As, or shortage of other commodities used when assembling the end-products. An unfavorable supply/demand ratio of PCBs risks having a negative effect on the prices for which NCAB sells and purchases its products, and could negatively affect NCAB's business, results and financial condition. In periods with extraordinary demand for PCBs, NCAB is exposed to the risk that limitations in PCB production capacity of its manufacturers cause its sourcing prices to increase or cause delays in the delivery of its products. There is also a risk that NCAB would have to decline orders in periods with extraordinary demand. This could have a material adverse effect on NCAB's business, results and financial condition. **Exchange rate fluctuations may affect NCAB's cash flow, income statement and balance sheet and the sale prices for PCBs.** Currency risk refers to the risk that exchange rate fluctuations adversely affect NCAB's income statement, balance sheet or cash flow. Exposure to currency risks is the result of subsidiaries in the Group making purchases and sales of goods and services in other currencies than the respective subsidiary's local currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into SEK (conversion exposure). The main part of NCAB's purchases and sales are made in USD. Consequently, NCAB's profits and its assets are affected by fluctuations in the price of USD compared to SEK. NCAB is also exposed to fluctuations in EUR and CNY compared to SEK. Accordingly, there is a risk that exchange rate fluctuations could have a material adverse effect on NCAB's business, results and financial condition. **Increases in the prices of certain raw materials may impact NCAB's cost of goods sold.** NCAB is exposed to fluctuations in the market price of certain raw materials. Raw materials such as copper, other metals, fiberglass and resin are used in the production of NCAB's sourced products. Energy and fuel are used in the production and for transportation of such products. Any increase in the prices of such raw materials or energy costs will impact NCAB's cost of goods sold through its purchasing and freight costs. Labor shortages and increased labor costs in the countries from which NCAB sources its products, in particular China, can also impact NCAB's cost of goods sold. This could have a material adverse effect on NCAB's business, results and financial condition. **NCAB may be adversely affected if its relationship with suppliers deteriorates or if it cannot maintain the confidence of suppliers.** There is a risk that NCAB could be adversely affected if its relationship with suppliers deteriorates. The relationship could deteriorate if a manufacturer changes its strategies and for example no longer wants to sell its products via traders, or if a manufacturer enters into an exclusivity agreement with a competitor. If NCAB's relationship to its suppliers is damaged in any way NCAB may face difficulties to source its products efficiently and to add new manufacturers to its supplier network. This and similar factors could have a material adverse effect on NCAB's business, results and financial condition. **Inability to retain and recruit qualified staff and executive management may have an adverse effect on NCAB's operations.** As an advanced trading company in a niche industry, NCAB is very dependent on its personnel. Being able to attract and retain qualified staff and executive management is important to NCAB's future strategy and operations. With the close down of PCB manufacturers in Europe and the U.S. and with market consolidation, the technical competence in relation to PCBs has decreased in those markets, making it more difficult to recruit qualified personnel. Furthermore, NCAB's staff may have the relevant experience to set up new businesses or join competitors, and solicit customers from NCAB. All of these factors could have a material adverse effect on NCAB's business, results and financial condition. **NCAB is exposed to sustainability and indirect environmental risks.** Chemicals in the PCB production process might cause negative impact on human health and to the environment. For example, some of the chemicals have potential risk to damage fertility, cause allergies, asthma and skin reaction or have long lasting toxic effects on aquatic life. NCAB, or its suppliers, may fail to meet the requirements under its internal policies, ISO9001, ISO14001, ISO26000, U.S. law (the Dodd Frank Act section 1502), EU legislation on Raw Materials Content (RoHS and REACH) and local regulations on water quality, emissions into water and waste management. Such failures may damage NCAB's reputation and may lead to NCAB losing customers, being fined or similar. There is a risk that such failure to meet the aforementioned requirements could have a material adverse effect on NCAB's business, results and financial condition. **NCAB is exposed to tax related risks.** The business is run according to NCAB's understanding or interpretation of current tax laws, tax treaties, other tax laws stipulations and the requirements of the tax authorities concerned. NCAB is subject to assessment by tax authorities in many jurisdictions and in such assessment, NCAB's interpretation of the tax legislation might be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions under NCAB's intra-group agreements and cross-border transactions. All of these factors could have a material adverse effect on NCAB's financial condition and results.

D.1	Key risks specific to the issuer and its industry, cont.	**Disputes and claims on warranty or product liability could have a material adverse effect on NCAB's financial condition and could divert management resources.** Defective PCBs are a common cause of malfunctioning end-products. Recurrent defects, faulty or poor quality of NCAB's PCBs, can in particular give rise to significant claims against NCAB, for example upon recall of the end-product, if the product is difficult to replace when installed, causes production stoppages or personal or property damages. Should a product manufacturer not satisfy warranty claims, whether due to insolvency, limitations on liability in the supply agreements or otherwise, NCAB may be required to do so and warranty and product liability cases may not be fully covered by its insurance policies. Accordingly, disputes and claims on warranty and product liability could have a material adverse effect on NCAB's business, results and financial condition. **Disruptions in the functions of NCAB's IT systems, or the IT systems not meeting industry standards or customer demands, could have a material adverse effect on the business.** NCAB has a centralized IT system, on which its supply chain and business processes are dependent. NCAB's ability to place orders, sell and deliver products as well as to invoice its customers depends on NCAB's IT system. It is also an important tool for accounting, financial reporting and for inventory and net working capital management. Disruptions in the function of its IT systems, as a consequence of for example computer viruses, upgrades of or malfunctions in existing IT systems, could have a material adverse effect on NCAB's business, results and financial condition. In addition, NCAB expects that its customers will continue to demand more sophisticated and fully integrated IT systems compatible with their own IT environment. If NCAB fails to meet the demands that its customers have on NCAB's IT system, or if disruptions occur in the IT system, which affect NCAB's own and/or its customers' operations, it can result in NCAB losing customers. All of these factors could have a material adverse effect on NCAB's business, results and financial condition. **The Group depends on retained transport companies and other parties making deliveries on time.** NCAB is dependent on a logistics set-up which allows for high delivery precision and short lead times. In an environment in which suppliers and customers demand speed and precision in delivery, having the flexibility to deliver through logistics facilities at all of NCAB's offices worldwide or directly from the supplier, is particularly important and frequently represents a key competitive advantage. In NCAB's industry, logistics capabilities are vital components of the business model, which ultimately yield scale advantages and increased customer loyalty. If NCAB's logistics set-up fails in any of these regards, it could lead to the loss of customers and, ultimately, could have a material adverse effect on NCAB's business, results and financial condition.
D.3	Key risks specific to the securities	Key risks related to the Company's shares include: **An active, liquid and orderly trading market for NCAB's shares may not develop, the price of its shares may be volatile, and potential investors could lose a portion or all of their investment.** Prior to the Offer, there has been no public market for the Company's shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offer. The price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offer. There is a risk that investors may, thus, not be able to resell any shares purchased in the Offer at or above the price in the Offer. **Sales of shares by existing shareholders could cause the share price to decline.** There is a risk that the market price of the Company's shares decline if there are substantial sales of the Company's shares, particularly sales by the members of the board of directors of the Company, the Company's executive management and significant shareholders, or otherwise when a large number of shares are sold. Selling Shareholders, the members of the board of directors and executive management currently holding shares in the Company have each agreed, subject to exceptions, for a certain period of time, not to sell their shares or enter into transactions with a similar effect without the prior written consent of the Manager ("the Lock-up Period"). Any sales of substantial amounts of the Company's shares in the public market by the Selling Shareholders or the Company's other current shareholders, or the perception that such sales might occur, could cause the market price of the Company's shares to decline. **The Company's ability to pay dividends is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors.** The amount of any future dividends that the Company will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures, compliance with debt covenants and other factors. Accordingly, there is a risk that a dividend may not be proposed or declared or any other distribution may not be made, in any given year or at all.

SECTION E – OFFER

E.1	Net proceeds and expenses	The Offer relates to newly issued shares and existing shares in NCAB Group AB (publ). The Company will not receive any portion of the sales proceeds from sales of existing shares by the Selling Shareholders. The Company will receive approximately SEK 100m from the new share issue that will be carried out within the framework of the offer. NCAB's costs attributable to the new issue are estimated to amount to approximately SEK 5m. In addition, NCAB estimates that costs for the listing of the Company's shares on Nasdaq Stockholm and IPO preparation costs amount to approximately SEK 40m. SEK 11.6m has been charged to earnings in 2017 and SEK 1.5m during the period January-March 2018. Approximately SEK 27m are expected to be charged to earnings later in 2018.
E.2a	Reasons for the Offer and use of proceeds	NCAB's objective is to be the leading advanced PCB trader globally, while continuing to generate strong growth, profitability and cash flow, to facilitate the Company's continued expansion and growth through acquisitions. As part of the aforementioned objective, the Principal Shareholders, the Company's board of directors and its executive management are of the opinion that now is a suitable time to broaden NCAB's ownership and to apply for a listing of the Company's shares on Nasdaq Stockholm. The Offer and the listing of the Company's shares on Nasdaq Stockholm are expected to contribute to increased attention and brand awareness among NCAB's current and potential customers and manufacturers, as well as to provide access to the Swedish and international capital markets, which is expected to support the Company's continued growth and development. The listing will also enable the Company to make future acquisitions, using shares as payment. The share issue in the Offer will upon full subscription raise SEK 100m before deduction for costs for the new issue of approximately SEK 5m and the remaining estimated costs for the listing of approximately SEK 27m. The Company intends to use the proceeds after deduction for these costs, approximately SEK 68m, to strengthen its balance sheet, thus creating preconditions for NCAB to continue making selective acquisitions according to its acquisition strategy.
E.3	Terms and conditions of the Offer	Not applicable.
E.4	Interests and conflicts of interest	The Manager provides financial advice and other services to the Company and the Principal Shareholders in connection with the Offer, for which they will receive customary remuneration. The total compensation will be dependent on the success of the Offer. The Manager has, from time to time, provided and may in the future provide, the Principal Shareholders and parties related to the Principal Shareholders, services within the scope of the daily operations in connection with other transactions. The Company's and the Principal Shareholders' legal advisors, in connection with the Offer, will receive customary compensation for the advice given. The legal advisors have also, from time to time, provided, and may in the future provide, the Principal Shareholders and parties related to the Principal Shareholders with legal advice within the scope of the daily operations in connection with other transactions.
E.5	Seller of the security and lock-up agreements	The Principal Shareholders and the other selling shareholders will sell existing shares in the Offer. Under the agreement regarding placing of shares that is expected to be entered into on or about 4 June 2018, (the "Placing Agreement"), the Selling Shareholders as well as shareholding members of the board of directors and executive management will undertake, subject to certain exceptions, not to sell their respective holdings during a certain period of time after the first day of trading in the shares on Nasdaq Stockholm. The commitments do not apply to shares sold in the Offer. The Lock-up Period for shareholding members of the board of directors and executive management will be 360 days. The Lock-up Period for R12, Gogoy and other selling shareholders will be 180 days. After the expiration of the Lock-up Period, the shares may be offered for sale, which may affect the market price of the shares. The Manager may grant exemptions from these commitments at its own discretion. In the Placing Agreement, the Company will undertake in relation to the Manager to, inter alia, subject to exceptions, during a period of 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm, not resolve, or propose to the shareholders to resolve at a general meeting, to increase the share capital through a new issue of shares or other financial instruments without the written approval of the Manager.
E.6	Dilution	The issue of new shares in connection with the Offer will result in a maximum of 1,333,334 new shares in the Company being issued, which corresponds to a dilution of 7.9 percent.
E.7	Expenses charged to the investor	Not applicable. No commission is payable.

Risk factors

Any investment in the shares is subject to a number of risks. Prior to investing in the shares, prospective investors should carefully consider the risk factors associated with any investment in the shares, the Group's business and the industry in which it operates, together with all other information contained in this Offering Circular including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Group, its industry and the shares summarized in the section of this Offering Circular headed "Summary" are the risks that the members of the board of directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in the section of this Offering Circular headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the shares. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results or financial condition and, if any such risk should occur, the price of the shares in the Offer may decline and investors could lose all or part of their investment. An investment in the shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the shares is suitable for them in the light of the information in this Offering Circular and their personal circumstances.

Risks related to the Group's business and industry

The demand for PCBs is dependent on general economic conditions and the activity within relevant markets and different end-industries. A decreasing demand from those end-industries could affect NCAB's sales adversely.

The demand for PCBs (i.e. printed circuit boards), and thereby also NCAB's sales, is dependent on the general economic conditions and, in particular, the activity in the end-industries of customers that purchase PCBs. Ultimately, the demand for the PCBs sold by NCAB is dependent on the underlying demand for the end-products in which they are used. NCAB's products are used in a wide variety of end-industries, such as industrial, telecom, med-tech, aerospace and defense. Consequently, the demand for PCBs on NCAB's markets is largely dependent on broad economic indicators. Declining general economic conditions or decreasing activity in the relevant end-industries could adversely affect the demand for PCBs in NCAB's markets, and thereby also have a material adverse effect on NCAB's business, results and financial condition.

The Group operates in competitive markets and customers may choose to purchase PCBs from another supplier.

The market for distributing and selling PCBs is competitive and NCAB faces competition both from trading companies and manufacturers, operating on a regional, national and multi-national level. Competition also varies depending on segments for the products and geographic segments. The high-mix low-volume ("HMLV") segment is the largest segment for NCAB. The principal competitive factors in NCAB's business include quality and quality control, price, design and technical support, purchasing power (i.e. being a purchaser that receives favorable terms from, and is prioritized by, manufacturers), the range of products at offer, ability to make on-time deliveries and access to volume capability. If NCAB fails to meet its customers' requirements in relation to any of these factors, or if a competitor is perceived to provide a better offering than NCAB, customers may choose to purchase PCBs from another supplier.

Some of NCAB's suppliers compete with NCAB through direct sales to customers. In addition, NCAB is often transparent towards its customers regarding which manufacturer the customers' orders are sourced from. Consequently, there is a risk that NCAB's customers purchase PCBs directly from the manufacturers, that NCAB's manufacturers try to solicit NCAB's customers, and that NCAB's manufacturers make strategic decisions to stop selling to NCAB and other traders in order to focus on direct sales only.

NCAB's current or future competitors may have greater resources than NCAB, and may use this advantage to increase their market shares. There is a risk that competitors may engage in aggressive pricing strategies, which may lead to NCAB having to reduce its prices in order to compete with them. If NCAB were to face any of the above types of competition, its profitability and market shares may decline, which would have a material adverse effect on NCAB's business, results and financial condition.

NCAB may be affected by changing supply/demand ratios, for example as a result of shifts in product technology or during periods of extraordinary demand.

NCAB is exposed to shifts in demand and/or supply of PCBs. The demand for PCBs is dependent on a number of factors, including the general economic conditions. Demand could also be affected by shifts in technology, for example by potential substitution of PCBs with 3D-printed alternatives or programmable components. Furthermore, there is a risk that the supply of PCBs would be adversely affected by, for example, local instability in China or a recession which could cause bankruptcy for manufacturers of PCBs. An addition, the demand for PCBs could decrease due to shortage of components used when assembling PCB-As, or shortage of other commodities used when assembling the end-products. An unfavorable supply/demand ratio of PCBs risks having a negative effect on the prices for which NCAB sells and purchases its products, and could negatively affect NCAB's business, results and financial condition.

In periods with extraordinary demand for PCBs, which for example occurred in 2013 when China implemented 4G technology country-wide, NCAB is exposed to the risk that limitations in PCB production capacity of its manufacturers cause its sourcing prices to increase or cause delays in the delivery of its products. There is also a risk that NCAB would have to decline orders in periods with extraordinary demand. NCAB then risks not being able to compensate for increased sourcing prices against its own customers. The aforementioned could have a material adverse effect on NCAB's business, results and financial condition.

NCAB is affected by its manufacturers' utilization levels and capacity.

Low utilization levels among NCAB's manufacturers can cause disruptions in their production processes, which risks having a negative effect on the quality of their products. Further, low utilization levels increase the risk that manufacturers close down production or go bankrupt, which may have an adverse effect on NCAB, especially in relation to its larger suppliers. If the utilization level is high, there is a risk that the prices will increase and that NCAB's orders are down prioritized, resulting in delayed deliveries. Furthermore, if NCAB's preferred manufacturers' capacity would be limited, for example as a result of technical malfunctions or fire, there is a risk that would have an adverse effect on NCAB in the short term. Any of the above factors could have a material adverse effect on NCAB's business, results and financial condition.

Exchange rate fluctuations may affect NCAB's cash flow, income statement and balance sheet and the sale prices for PCBs.

Currency risk refers to the risk that exchange rate fluctuations adversely affect NCAB's income statement, balance sheet or cash flow. Exposure to currency risks is the result of subsidiaries in the Group making purchases and sales of goods and services in other currencies than the respective subsidiary's local currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into SEK (conversion exposure). The main part of NCAB's purchases and sales are made in USD. Consequently, NCAB's profits and its assets are affected by fluctuations in the price of USD compared to SEK. NCAB is also exposed to fluctuations in EUR and CNY compared to SEK. Accordingly, there is a risk that exchange rate fluctuations could have a material adverse effect on NCAB's business, results and financial condition.

Both NCAB's revenues and its product related costs are mostly denominated in USD. As China is the world's largest producer of PCBs, the exchange rate between CNY and USD has an impact on the prices for PCBs on the market, and a stronger CNY implies an increased price for PCBs.

There is a risk that NCAB's customers focus more on price if the value of their local currency decreases compared to the USD. NCAB's customers are located predominantly in Europe and the U.S., and fluctuations in local currencies, in particular EUR and GBP, compared to USD has, in this regard, an effect. A weaker local currency compared to USD affect the customers in this regard, which may have a negative effect on NCAB's sales prices and revenues.

Significant shifts in the exchange rate balance may have a material adverse effect on NCAB's business, results and financial condition.

Increases in the prices of certain raw materials may impact NCAB's cost of goods sold.

NCAB is exposed to fluctuations in the market price of certain raw materials. Raw materials such as copper, other metals, fiberglass and resin are used in the production of NCAB's sourced products. Energy and fuel are used in the production and for transportation of such products. Any increase in the prices of such raw materials or energy costs will impact NCAB's cost of goods sold through its purchasing and freight costs. Labor shortages and increased labor costs in the countries from which NCAB sources its products, in particular China, can also impact NCAB's cost of goods sold. There is a risk that NCAB will not be able to compensate for increased sourcing prices by increasing prices against its own customers. This could have a material adverse effect on NCAB's business, results and financial condition.

NCAB may be adversely affected if its relationship with suppliers deteriorates or if it cannot maintain the confidence of suppliers.

There is a risk that NCAB could be adversely affected if its relationship with suppliers deteriorates. The relationship could deteriorate if a manufacturer changes its strategies and for example no longer wants to sell its products via traders, or if a manufacturer enters into an exclusivity agreement with a competitor.

If NCAB's relationship to its suppliers is damaged in any way, for example due to the loss of suppliers' confidence in NCAB, NCAB may face difficulties to source its products efficiently and to add new manufacturers to its supplier network. This and similar factors could have a material adverse effect on NCAB's business, results and financial condition.

NCAB may be adversely affected if its relationship with, and reputation among, its customers deteriorates.

NCAB is dependent on its reputation among its current and prospective customers. Maintaining its reputation is a key factor in establishing and maintaining long standing customer relationships. NCAB's customer relationships are to a large extent dependent on personal relationships between NCAB's staff and the customers' purchasing and technical departments. If NCAB's staff does not maintain such relationships, NCAB risks that its sales are affected negatively.

Quality issues, operational or logistics problems (such as being unable to deliver as agreed) as well as administrative faults (for example wrong material chosen for the PCB), whether such problems or faults are caused by NCAB or its suppliers, may also result in NCAB's reputation being damaged and thereby cause difficulties for NCAB to retain existing and/or attract new customers.

The Group reviews its manufacturers' compliance with applicable employment, environmental and other laws, regulations and standards, but there is a risk that non-compliance is not discovered in these reviews. Failure by NCAB or its suppliers to comply with ethical, social, product, labor, health and safety, environmental and other standards could damage NCAB's reputation, have a negative effect on the demand for NCAB's services, and could lead to loss of customers or to adverse actions from NCAB's customers.

These factors may have a material adverse effect on NCAB's business, results and financial condition.

Inability to retain and recruit qualified staff and executive management may have an adverse effect on NCAB's operations.

As an advanced trading company in a niche industry, NCAB is very dependent on its personnel. Being able to attract and retain qualified staff and executive management is important to NCAB's future strategy and operations. With the close down of PCB manufacturers in Europe and the U.S. and with market consolidation, the technical competence in relation to PCBs has decreased in those markets, making it more difficult to recruit qualified personnel. Furthermore, NCAB's staff may have the relevant experience to set up new businesses or join competitors, and solicit customers from NCAB. All of these factors could have a material adverse effect on NCAB's business, results and financial condition.

NCAB may not be able to realize its strategy to continue profitable growth.
NCAB's strategy is to grow its revenues by increasing sales to existing and new customers in segments Europe, U.S.A. and East and to expand into new markets. Establishment of new offices and geographical expansion are connected with certain costs, primarily relating to recruiting new personnel. NCAB finances these costs with profits from segment Nordic. If the business in a new geographic area does not render sufficient revenues, there is a risk that NCAB's margins are negatively affected and further, NCAB risks not being able to continue growing in the same pace, or with the same profitability, as it has been historically. In addition, if NCAB's operations in segment Nordic does not meet today's levels of profitability going forward, NCAB risks not being able to grow in the same pace, or with the same profitability, as it has been historically. If NCAB is unable to implement its growth strategy it could have a material adverse effect on NCAB's business, results and financial condition.

The Group may experience difficulties completing acquisitions, integrating acquired businesses and achieving anticipated synergies.
Risks related to acquisitions and integration are primarily impairment of relationships with key customers, inability to retain key employees and difficulties in, or higher costs than anticipated for, combining operations. For an acquired business to be fully integrated in the Group, the acquired business needs to implement NCAB's IT system as well as a wide range of practices and policies. There is a risk that NCAB may not succeed in integrating any acquired business or in standardizing and implementing NCAB's policies and practices, which could lead to additional integration costs or liabilities for legal, regulatory, compliance or other violations. Furthermore, acquisitions could expose NCAB to other unknown liabilities. Should any of these risks materialize in relation to future acquisitions, it could have a material adverse effect on NCAB's business, results and financial condition.

NCAB operates in a global environment and needs to comply with existing laws and regulations in many countries.
NCAB operates in a global environment with local presence in 15 countries and with sales to customers in approximately 45 countries and is consequently exposed to various risks. NCAB is subject to numerous international, EU, national and local laws, regulations, rules, decisions and other actions implemented by the authorities in the countries where NCAB operates and must observe a large number of different regulatory systems which are continuously evolving across a number of jurisdictions. Compliance with existing or additional laws, regulations, ordinances or requirements, as well as more vigorous enforcement policies of regulatory agencies or stricter or different interpretations, may require NCAB to make additional investments. One example is the EU's general data protection regulation ("GDPR") (2016/679), which enters into force on 25 May 2018. NCAB is yet not fully compliant with GDPR and there is a risk that NCAB cannot execute all actions necessary before GDPR enters into force. Further there are challenges to having operations in countries where laws tend to change more rapidly, as for example in Russia, or in countries where the political, legal and judicial system and tradition differs significantly from the Swedish, such as in China.

NCAB's business is also subject to risks inherent in its business activities, such as: fees and rules relating to customs and anti-circumvention fines and is subject to various, and potentially overlapping, regulations and rules, particularly those relating to export and import controls, antitrust, anti-corruption and anti-bribery; differences and unexpected changes in regulatory environments, including environmental, health and safety, local planning, zoning and labor laws, rules and regulations; exposure to different legal standards and enforcement mechanisms and the cost of compliance with those standards; exchange controls and restrictions on repatriation of funds and political and social instability. Political decisions, in particular decisions that affect international trade, could have an adverse effect on NCAB's business.

Furthermore, there is a risk that NCAB will not be able to develop and implement systems, policies and practices to manage these risks or comply with applicable regulations without incurring additional costs. Failure to manage these risks or comply with applicable regulations could result in fines or enforcement actions against NCAB, as well as harm its reputation.

The materialization of any of these risks could have a material adverse effect on NCAB's business, results and financial condition.

NCAB is exposed to sustainability and indirect environmental risks.
Chemicals in the PCB production process might cause negative impact on human health and to the environment. For example, some of the chemicals have potential risk to damage fertility, cause allergies, asthma and skin reaction or have long lasting toxic effects on aquatic life. NCAB, or its suppliers, may fail to meet the requirements under internal policies, ISO9001, ISO14001, ISO26000, U.S. law (the Dodd Frank Act section 1502), EU legislation on Raw Materials Content (RoHS and REACH) and local regulations on water quality, emissions into water and waste management. Even though NCAB does not own factories that produce PCBs, such failures may damage NCAB's reputation and may lead to NCAB losing customers, being fined or similar. There is a risk that such failure to meet the aforementioned requirements could have a material adverse effect on NCAB's business, results and financial condition.

NCAB is exposed to tax related risks.
NCAB manages its operations through operating subsidiaries in a number of countries. The business is run according to NCAB's understanding or interpretation of current tax laws, tax treaties, other tax laws stipulations and the requirements of the tax authorities concerned. NCAB is subject to assessment by tax authorities in many jurisdictions and in such assessment, NCAB's interpretation of the tax legislation might be challenged and tax authorities in various jurisdictions may disagree with, and subsequently challenge, the amount of profits taxed in such jurisdictions under NCAB's intra-group agreements and cross-border transactions.

There is a risk that NCAB's tax position, both for previous years and the present year, could change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations. Such decisions or changes could possibly also have a retroactive effect. All of these factors could have a material adverse effect on NCAB's financial condition and results.

Disputes and claims on warranty or product liability could have a material adverse effect on NCAB's financial condition and could divert management resources.
As a trading company, most of the sourced products offered by NCAB are covered by warranties, including in relation to quality and on-time deliveries, provided by product manufacturers.

Defective PCBs are a common cause of malfunctioning end-products. Recurrent defects, faulty or poor quality of NCAB's PCBs, can in particular give rise to significant claims against NCAB, for example upon recall of the end-product, if the product is difficult to replace when installed, causes production stoppages or personal or property damages. Should a product manufacturer not satisfy warranty claims, whether due to insolvency, limitations on liability in the supply agreements or otherwise, NCAB may be required to do so and warranty and product liability cases may not be fully covered by its insurance policies. Market acceptance of NCAB's products could be adversely affected by warranty and product liability cases, and NCAB's reputation could be damaged. Defending against warranty and product liability claims can also be costly and time-consuming and divert management's attention from its regular assignments. Accordingly, disputes and claims on warranty and product liability could have a material adverse effect on NCAB's business, results and financial condition.

The Group's insurance coverage may be insufficient.
There is a risk that NCAB's existing insurance coverage is not sufficient for possible future needs. Furthermore, the insurance coverage that NCAB obtains may be limited because of, for example, maximum amount limits. Regarding losses covered by NCAB's insurance policies, it may be difficult and time-consuming to obtain compensation from the insurance company, or the entire lost amount might not be reimbursed by the insurance company, only a part. Thus there is a risk that NCAB's insurance coverage will not cover all potential losses, regardless of cause, or that the relevant insurance coverage will not be available at an acceptable cost, which could have an adverse effect on NCAB's financial condition and results.

Disruptions in the functions of NCAB's IT systems, or the IT systems not meeting industry standards or customer demands, could have a material adverse effect on the business.
NCAB has a centralized IT system, on which its supply chain and business processes are dependent. NCAB's ability to place orders, sell and deliver products as well as to invoice its customers depends on NCAB's IT system. It is also an important tool for accounting, financial reporting and for inventory and net working capital management. The management of NCAB's computer hardware is outsourced to a third party, whereas software and IT system management is handled in-house. Disruptions in the function of its IT systems, as a consequence of for example computer viruses, upgrades of or malfunctions in existing IT systems, could have a material adverse effect on NCAB's business, results and financial condition.

In addition, NCAB expects that its customers will continue to demand more sophisticated and fully integrated IT systems compatible with their own IT environment. To meet its customers' expectations, NCAB continuously monitors and upgrades its IT systems. NCAB's software may fail to meet industry standards and customer demands in different countries. Further NCAB may fail to upgrade and develop its software as needed.

Failure of the computer hardware or software that supports NCAB's IT systems or the loss, or theft, of data in NCAB's systems could damage both NCAB's operations and reputation. If NCAB fails to meet the demands that its customers have on NCAB's IT system, or if disruptions occur in the IT system, which affect NCAB's own and/or its customers' operations, it can result in NCAB losing customers. All of these factors could have a material adverse effect on NCAB's business, results and financial condition.

NCAB's decentralized structure and geographic breadth expose the Group to local problems that it may fail to identify and address in a timely manner.
NCAB is dependent on the skills and expertise of its employees in particular regions and markets as a result of its decentralized structure, as well as on its local supplier relationships. Decentralization is a key aspect of NCAB's business model and an important element for implementing its strategy, it results in placing significant control and decision-making powers in the hands of regional and local management and personnel. The corporate governance of a company with decentralized structure such as NCAB's places high demands on financial reporting and internal control. Deficiencies in this regard could result in errors in the reports. NCAB's compliance structures may be insufficient to ensure that NCAB and its employees are complying with NCAB's agreements, internal guidelines or policies, and internal credit limits. Additionally, it may be difficult for them to determine the sufficiency of existing guidelines or policies, including those relating to anti-trust, anti-cartel, anti-bribery and anti-money laundering rules and regulations. If NCAB is unable to identify and address problems in a timely manner or prevent employee legal, regulatory, compliance or other violations (due to fraud or otherwise), NCAB's may incur liability which could have a material adverse effect on NCAB's business, results and financial condition.

The Group depends on retained transport companies and other parties making deliveries on time.
An efficient logistics set-up is critical in NCAB's industry and business, in which distributors are expected to process potentially large orders in a timely manner. NCAB is dependent on a logistics set-up which allows for high delivery precision and short lead times. In an environment in which suppliers and customers demand speed and precision in delivery, having the flexibility to deliver through logistics facilities at all of NCAB's offices worldwide or directly from the supplier, is particularly important and frequently represents a key competitive advantage. For customers, a fast and efficient logistics set-up can yield cost savings from minimized risk of production downtime, minimized inventory levels and minimized cost of handling. In NCAB's industry, logistics capabilities are vital components of the business model, which ultimately yield scale advantages and increased customer loyalty. If NCAB's logistics set-up fails in any of these regards, it could lead to the loss of customers and, ultimately, could have a material adverse effect on NCAB's business, results and financial condition.

Goodwill impairment could negatively affect the reported results.
NCAB's consolidated balance sheet includes significant goodwill. There is a risk that NCAB may have to recognize impairments in the future. Furthermore, there is a risk that if NCAB's goodwill would be significantly impaired, it could have a material adverse effect on NCAB's business, results and financial condition.

NCAB is exposed to interest rate risks that could cause fair values, financial income and expenditure, cash flow and/or results to vary as a result of changes in market interest rates.
Interest rate risk is the risk that financial income and expenses, as well as the value of financial instruments, fluctuate due to changes in market interest rates. The interest rate risk can lead to changes in fair values, changes in cash flows and fluctuations in NCAB's results. Any increase in interest rates would in the short term increase NCAB's cost in respect of floating rate debts and in the long term the cost in relation to all debt would be increased. There is a risk that changes in interest rates could have a material adverse effect on NCAB's business, results and financial condition.

NCAB is exposed to credit- and counterparty risk.
NCAB has a large group of customers of various sizes. The amount of customers and the structure of the Group mean that the agreements with the customers can be of various characters with regard to scope and length of contract. Subsidiaries within the Group sell PCBs through contracts that are not secured by collateral or other security. In addition, the Group is exposed to credit risks in relation to the financial institutions in which the Group has deposited funds. Consequently, NCAB is exposed to the risk that customers and other counterparties will not pay amounts due on a timely basis, or at all, and hence cause the Group losses in revenue, which could have a material adverse effect on NCAB's business, cash flows, results and financial condition.

NCAB may not be able to obtain loans at favorable terms, or obtain loans at all.
In connection with the listing of the Company's shares on Nasdaq Stockholm, NCAB's main loan financing will consist of four financing agreements with Nordea Bank AB (publ) ("Nordea"): (i) a long term interest-only loan agreement of SEK 50m; (ii) a long term loan agreement of SEK 50m to be amortized with SEK 2.5m on a quarterly

basis; (iii) an overdraft facility of SEK 100m; and (iv) an overdraft facility of USD 1.5m.

Also, the Company has entered into an agreement on special terms with Nordea, whereby the Company: (i) makes certain commitments towards Nordea, inter alia that NCAB's net debt in relation to EBITDA before extraordinary items and cash flow in relation to financial costs should exceed certain levels; and (ii) is subject to certain restrictions primarily relating to the lodging of security with parties other than Nordea, arrangement of new loans above a certain level and divestments or acquisitions of assets and other customary credit terms and conditions.

NCAB's capacity to pay its liabilities and otherwise comply with its obligations and the terms and conditions of the credit facilities agreements as well as its general capacity to refinance its loans and make payments in accordance with its undertakings depend on, among other things, NCAB's future results. Some aspects of NCAB's future results are dependent on economic, financial, competitive and other factors beyond NCAB's control. Should NCAB fail to meet its obligations under the credit facility or breach any covenant, it could have a material adverse effect on NCAB's business, results and financial condition.

The Group's future results may differ from the financial targets included in the Offering Circular and investors should not place undue reliance on the financial targets.

The mission statement and financial targets, adopted by the board of directors, set forth in this Offering Circular are objectives and targets for the medium term. These objectives and targets include growth, profitability, net debt/adjusted EBITDA ratio and dividend payout ratio. These forward-looking statements are objectives and targets and not assurances as to future results. There is a risk that NCAB's actual results or financial condition could differ from those expressed or implied by these forward-looking statements as a result of many factors, including the other risks described in this section "*Risk factors*", and these differences could be material. In addition, unanticipated events could have an adverse effect on NCAB's actual results and financial condition in future periods whether or not NCAB's assumptions relating to the medium term or future periods otherwise prove to be correct. As a result, NCAB's actual results or financial condition risk to vary materially from these targets and investors should not place undue reliance on them.

Risks relating to the Offer and the Company's shares

An active, liquid and orderly trading market for NCAB's shares may not develop, the price of its shares may be volatile, and potential investors could lose a portion or all of their investment.

Prior to the Offer, there has been no public market for the Company's shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offer. The price in the Offer will be determined by the board of directors and the Principal Shareholders in consultation with the Manager based on a book-building procedure and will, consequently, be based on demand and the overall market conditions. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offer. There is a risk that investors may, thus, not be able to resell any shares purchased in the Offer at or above the price in the Offer.

Sales of shares by existing shareholders could cause the share price to decline.

There is a risk that the market price of the Company's shares decline if there are substantial sales of the Company's shares, particularly sales by the members of the board of directors of the Company, the Company's executive management and significant shareholders, or otherwise when a large number of shares are sold.

The Principal Shareholders will own in aggregate approximately 30.1 percent of the shares in the Company after the Offer (based on the assumption that the Offer is increased in full and that the Over-allotment Option is exercised in full). Selling Shareholders, the members of the board of directors and executive management currently holding shares in the Company have each agreed, subject to exceptions, for a certain period of time, not to sell their shares or enter into transactions with a similar effect without the prior written consent of the Manager (the "Lock-up Period"). After the expiry of the relevant Lock-up Period or before the expiry, with the written consent of the Manager, the shareholders subject to Lock-up will be free to sell their shares in the Company. Any sales of substantial amounts of the Company's shares in the public market by the Selling Shareholders or the Company's other current shareholders, or the perception that such sales might occur, could cause the market price of the Company's shares to decline.

R12 Kapital AB ("R12") will continue to have substantial influence over the Company after the Offer and could delay or prevent a change in control over the Company.

After completion of the Offer, R12 will own in aggregate approximately 21.9 percent of the shares in the Company (based on the assumption that the Offer is increased in full and that the Over-allotment Option is exercised in full). Thus, R12 is likely to continue to have a significant influence over the outcome of matters submitted to the Company's shareholders for approval, including the election of members of the board of directors and any merger, consolidation or sale of all or substantially all of the Company's assets. In addition, R12 could continue to have significant influence over the Company's executive management and its operations.

There is a risk that the interests of R12 differ from or compete with the Company's interests or those of the other shareholders. For example, there could be a conflict between the interests of R12 on the one hand, and the interests of the Company or its other shareholders on the other hand with respect to distribution of dividends.

The Company's ability to pay dividends is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors.

The amount of any future dividends that the Company will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures, compliance with debt covenants and other factors. The Company's performance may not allow adherence to the dividend policy and, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in the Offering Circular were to materialize. There is a risk that the Company may not have sufficient distributable funds and the Company's shareholders may not resolve to pay dividends in the future. Accordingly, there is a risk that a dividend may not be proposed or declared or any other distribution may not be made, in any given year or at all.

Shareholders in other countries outside Sweden may not be able to participate in any potential future rights offerings.

If the Company issues new shares, current shareholders shall, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may be subject to limitations that prevent them from utilizing their preferential right, or that otherwise makes participation difficult or limited. For example, shareholders in the U.S. may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the Securities Act is effective in respect of such subscription rights and shares or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the subscription rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares and doing so in the future may be impractical and costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, there is a risk that their ownership in the Company may be diluted or reduced.

Currency effects for shareholders outside Sweden.
The shares in NCAB will only be listed in SEK and any future dividends paid will be denominated in SEK. In the event that the value of the SEK decreases in relation to foreign currencies it could result in negative consequences for the valuation of foreign investors' holdings in NCAB, as well as any dividends received. Furthermore, there is a risk that foreign investors may incur transaction fees when exchanging SEK to a different currency.

Cornerstone Investors' undertakings are not secured
NCAB has received subscription undertakings in the Offer from the Cornerstone Investors corresponding to a total of SEK 257.5m. These subscription undertakings have not been secured through a pledge of collateral, blocked funds or a similar arrangement to ensure that the guaranteed issue proceeds will accrue to the Company. There is a risk that the subscription undertakings provided in the Offer may not be fulfilled, which could have a material adverse effect on the implementation of the Offer.

Invitation to acquire shares in NCAB Group AB (publ)

The Company and the Principal Shareholders have resolved to diversify the ownership of shares in the Company through an issue of new shares and a sale of existing shares by the Selling Shareholders. Accordingly, the Company's board of directors has applied for listing of the Company's shares on Nasdaq Stockholm. The listing is expected to support NCAB's future growth and operational strategy, among other things, through improved access to the capital markets as well as a diversified owner base of new Swedish and international shareholders.

The price in the Offer is SEK 75 and has been determined by the board of directors and the Principal Shareholders in consultation with the Manager, based on discussions preceding the commitments by the Cornerstone Investors, contacts with certain other institutional investors, current market conditions and a comparison with the market price for comparable listed companies' shares.

Pursuant to the terms and conditions set forth in the Swedish Prospectus, investors are hereby invited to acquire up to 7,274,991 shares in NCAB Group AB (publ). 5,941,657 shares are offered by the Selling Shareholders and the Company will issue up to 1,333,334 shares. R12 and Gogoy AB ("Gogoy") have reserved the right to increase the Offer by an additional maximum of 1,641,025 shares in NCAB. If the Offer is increased in full, the Offer will comprise up to 8,916,016 shares.

In order to cover any over-allotment in connection with the Offer, The Principal Shareholders have granted an option (the "Over-allotment Option") to the Manager, which can be exercised in full or in part for a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, to acquire up to an additional 1,337,402 shares from the Principal Shareholders corresponding to no more than 15 percent of the total number of shares in the Offer (including a potential extension of the Offer), for a price corresponding to the price in the Offer.

Provided that the Offer is increased in full and that the Over-allotment Option is exercised in full, the Offer will comprise up to 10,253,418 shares, which corresponds to approximately 60.9 percent of the total number of shares in the Company.

The total value of the Offer (without an extension) amounts to approximately SEK 546m. If the Offer is increased in full, the total value of the Offer will amount to approximately SEK 669m (and approximately SEK 769m if the Over-allotment Option is exercised in full). The Company will receive approximately SEK 100m from the new share issue that will be carried out within the framework of the offer.

Fjärde AP-Fonden (AP4), Tredje AP-fonden (AP3), Länsförsäkringar Fondförvaltning AB (LF Fondförvaltning), Lazard Asset Management Deutschland GmbH (Lazard GmbH) and C WorldWide Asset Management Fondmaeglerselskab A/S Danmark filial Sverige (C WorldWide) (together, the "Cornerstone Investors") have committed to acquire shares in the Offer, on terms principally corresponding to other investors', corresponding to 7.5 percent, 4.0 percent, 3.0 percent, 3.0 percent and 3.0 percent, respectively of the total number of shares in the Company after the Offer. The commitments from the Cornerstone Investors amount to a total of 3,433,334 shares, corresponding to approximately 20.4 percent of the total number of shares in the Company after the Offer. The subscription commitments are conditional on that the Company's shares are admitted for trading on Nasdaq Stockholm not later than 30 June 2018, that the offer price does not exceed SEK 75 and that they receive full allocation in the Offer. The Cornerstone Investors receive no compensation for their commitments. The subscription commitments are not secured.

In addition, Gunilla Rudebjer, Magdalena Persson and Gunilla Öhman have also committed to, conditional upon them receiving full allocation in the Offer, acquire shares in the Offer, corresponding to 0.04 percent, 0.01 percent and 0.02 percent of the number of shares in the Company after the Offer, respectively, at a value of SEK 949,950 divided between 12,666 shares. No compensation is received for these commitments.

Stockholm, 23 May 2018
NCAB Group AB (publ)
The board of directors

The board of directors of NCAB Group AB (publ) is responsible for the content of the Offering Circular. The board of directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The board of directors of NCAB Group AB (publ) is alone responsible for the content of this Offering Circular in accordance with what is set out herein. However, the Selling Shareholders confirms their commitment to the terms and conditions of the Offer.

Background and reasons

NCAB was founded in 1993 by Lars Östlund, Leif Pettersson and Bo Andersson as a PCB trading company. Since the Company was founded, the operations have been characterized by an entrepreneurial and cost efficient culture and have over time showed strong growth and good profitability. Today, NCAB is a leading advanced PCB trader, i.e. a trader which takes on full supplier responsibility towards its customers and which has local presence in China, with focus on the HMLV segment.[1] NCAB has local presence in 15 countries and customers in approximately 45 countries worldwide. From the financial year 2008-2017, revenues have grown from SEK 374.0m to SEK 1,400.3m with a compound annual growth rate ("CAGR") of 15.8 percent.[2] The increase in revenues were driven by both organic growth and acquisitions. Organic growth and acquisitions are part of NCAB's growth strategy and during the aforementioned period, four companies were acquired and integrated. As of 31 March 2018, NCAB had 365 employees.

NCAB has a long track record of profitable growth and has proven its ability to successfully expand to new markets. Through this expansion, NCAB has evolved from a Swedish-based trader of PCBs to a full-service supplier in its segments Nordic, Europe, U.S.A. and East. Throughout the years, NCAB has built a renowned brand and deep long-term relationships with both customers and suppliers, which confirms its strong position in the value chain.

R12 acquired the majority of NCAB with the ambition to, together with a skilled and experienced organization, continue the development of the Group.

NCAB's objective is to be the leading advanced PCB trader globally, while continuing to generate strong growth, profitability and cash flow, to facilitate the Company's continued expansion and growth through acquisitions. As part of the aforementioned objective, the Principal Shareholders, the Company's board of directors and its executive management are of the opinion that now is a suitable time to broaden NCAB's ownership and to apply for a listing of the Company's shares on Nasdaq Stockholm. The Offer and the listing of the Company's shares on Nasdaq Stockholm are expected to contribute to increased attention and brand awareness among NCAB's current and potential customers and manufacturers, as well as to provide access to the Swedish and international capital markets, which is expected to support the Company's continued growth and development. The listing will also enable the Company to make future acquisitions, using shares as payment.

The share issue in the Offer will, upon full subscription, raise SEK 100m before deduction for costs for the new issue of approximately SEK 5m and the remaining estimated costs for the listing of approximately SEK 27m. The Company intends to use the proceeds after deduction for these costs, approximately SEK 68m, to strengthen its balance sheet, thus creating preconditions for NCAB to continue making selective acquisitions according to its acquisition strategy. For more information on NCAB's acquisition strategy, see the section "*Business overview – Financial targets*". The Company will not receive any portion of the sales proceeds from sales of existing shares by the Selling Shareholders.

The Principal Shareholders will continue to have a significant shareholding in the Company following the Offer. R12 and Gogoy have stated that they intend to remain as long term shareholders in the Company. The Principal Shareholders will receive proceeds from the sale of shares, after deduction of fees and commissions. In addition to the Principal Shareholders, the other selling shareholders will sell shares. For more information, see the section "*Share capital and ownership*".

Stockholm, 23 May 2018
NCAB Group AB (publ)
The board of directors

1) EY Market Review November 2017.
2) Calculated based on information derived from audited consolidated financial statements and audited consolidated annual reports as of and for the financial years ended 31 December 2008 and 2017.

Market overview

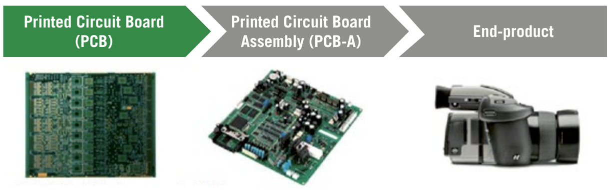
The Offering Circular contains industry and market data pertaining to NCAB's business and markets. Information on the market, market sizes, market shares, market environment, market positions, market developments, growth rates, market trends and on the competitive situation in the markets and the segments in which the Company operates is, unless otherwise indicated, based on data, statistical information, industry reports and other third party studies as well as on the Company's own estimates and analysis of multiple sources, including a market assessment report commissioned by the Company. Information sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Considering the limited amount of publicly available information on the industry, the data on market sizes, market shares and other competitive data should be interpreted with caution. Additional factors, which should be considered when assessing the usefulness of the market and competitive data, are also described elsewhere in this Offering Circular, including those set out in the section "Risk factors".

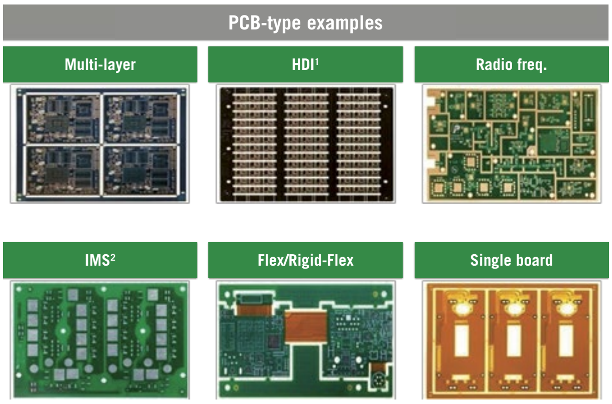
Introduction

NCAB is a full-service supplier of PCBs with local presence in 15 countries and sales in 45 countries. NCAB offers a broad range of PCBs which, after receiving a customer order, are sourced from external manufacturers, predominantly located in China. The Company serves approximately 1,650 customers, mainly within the HMLV segment[1], in its segments Nordic, Europe, U.S.A. and East.[2] PCBs constitute the foundation of PCB-As (i.e. printed circuit board assemblies) which are found in almost all types of electronic equipment. PCBs are bespoke platforms for electronic components connected via conductive tracks, pads and other features etched from layers of copper.[3] PCBs vary in size and complexity and are custom made for each end-product.

Further, PCBs often represent a relatively small share, typically approximately 1-3 percent, of the value of the end-products (usally a larger share in simple end-products, such as an electronic tooth brush, and a smaller share in more complex end-products, such as an airplane, according to the Company). At the same time PCBs are critical to the function of the end-product and a faulty PCB can be costly to fix.[4] This makes quality one of the top buying criteria for customers.



Source: EY Market Review November 2017.

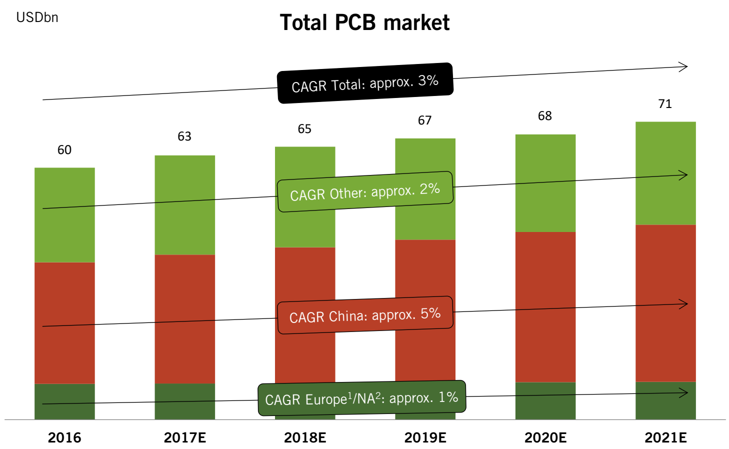


1) High Density Interconnect.
2) Insulated Metal Substrates.
Source: EY Market Review November 2017.

PCBs can differ in size and complexity in terms of number of layers, features or materials. Larger PCBs are generally more expensive as they contain more components, connectors and layers of copper circuits.[5] The number of layers is also an important price variable. According to the Company's assessment 1-2 layer PCBs cost approximately USD 50 per square meter, 4-6 layer PCBs approximately USD 135 per square meter, 8-16 layer PCBs approximately USD 500 per square meter and PCBs with 18 or more layers cost approximately USD 2,000 per square meter. Special features such as resilience to micro waves, military grade materials or degree of flexibility are among the most frequent cost drivers.[6] Flexible PCBs are for example used in products with moving parts and rigid-flexible PCBs in products with limited space for assembly. Radio frequency PCBs are for example used in high-frequency products to reduce signal interference.[7]

The global market for PCBs was valued at approximately USD 60bn in 2016 of which the market for high-volume production accounts for 70 percent. The market is expected to grow at a CAGR of approximately 3 percent from 2016-2021, primarily driven by increases in the use of electronic systems and of their complexity, as well as a stable price level for PCBs. The stable price level is a result of increasing technology levels having a positive effect on the prices which is offset by price pressure on electronics. Approximately USD 8.4bn (approximately 14 percent) of the global PCB market comprise Europe[8] and North America[9]. Of total production, Europe and North

1) See the section "*HMLV*" and "*Glossary*".
2) NCAB's internal accounting or reporting system.
3) EY Market Review November 2017.
4) EY Market Review November 2017.
5) EY Market Review November 2017.
6) The Company's assessment.
7) EY Market Review November 2017.
8) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
9) North America in this context refers to: Canada, Mexico and the U.S.



1) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
2) North America in this context refers to: Canada, Mexico and the U.S.
Source: EY Market Review November 2017.

America account for approximately USD 4.8bn (approximately 8 percent). Further, Europe and North America have net imports of approximately USD 3.6bn, or approximately 6 percent, of the global PCB market. The imports are in general either high-volume orders, which are typically placed directly with Asian manufacturers or HMLV orders which are typically placed with traders or advanced traders such as NCAB.[10]

The demand for PCBs is driven by PCB-A production, since PCBs are the platform on which electronic components are mounted to produce a PCB-A. Consumer goods with large volumes such as cell phones mainly have PCB-A and end-product assembly in Asia. In Europe and North America, PCB-A and end-product production mainly comprise typical HMLV industries such as industrial, aerospace and defense and med-tech, but also partly high-volume industries such as telecom and automotive.[11] PCB-A production in Europe and North America is driven by, for example, higher transportation costs for PCB-As than for PCBs due to the higher fragility and larger size of PCB-As than that of PCBs and components separately as well as other strategic rationale for having local PCB-A production in close proximity to end-customers in Europe and North America.[12]

The PCB market can be divided into two main segments covering different customer needs: high-volume and HMLV.

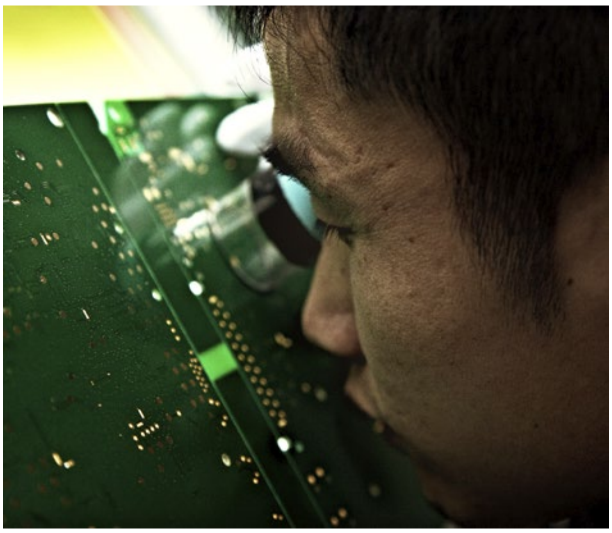
High-volume

The high-volume segment comprises orders of large volumes of PCBs. Typically, an order covers more than 50 square meters and an order value exceeding USD 2,000. The high-volume segment is recognized by manufacturers with an ability to produce large volumes at low costs. The customers are for example large producers of consumer goods and automotive, and the segment is highly competitive.[13] As a result of the large volumes, short delivery times have lower priority for the customers than minimizing cost per purchased PCB. Due to these conditions, buying directly from Asian manufacturers is the most common alternative in the high-volume segment.[14]

HMLV

NCAB's main market segment, the HMLV segment, is defined as orders with relatively low volumes and which may include many different PCB articles. Typically, an order covers less than 50 square meters and an order value less than USD 2,000.[15] Success factors for manufacturers include flexibility to rapidly meet customers' demands. To cater to customer demands, manufacturers must have a low-volume adapted production. All manufacturers are specialized in one or a few types of PCBs, which means that traders can aggregate customers' demands by using many different manufacturers.[16]

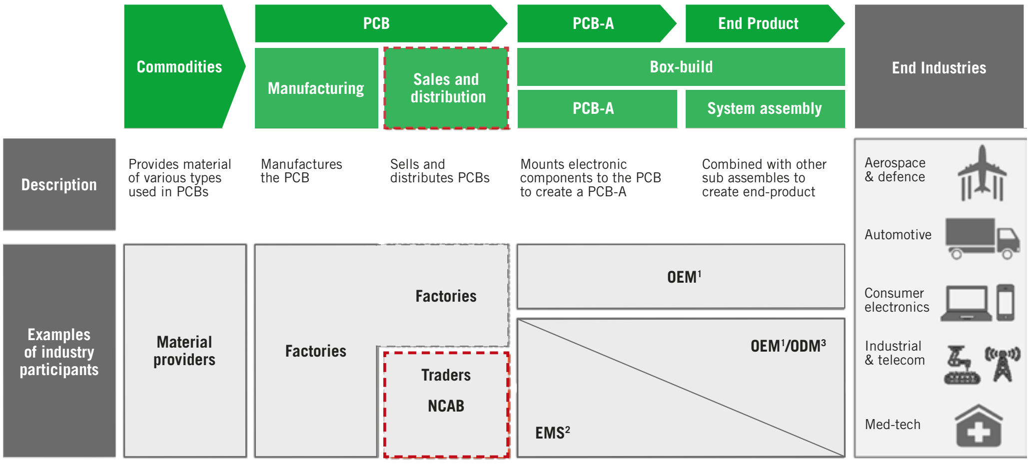
The HMLV segment's share of the market is expected to remain relatively unchanged in Europe[17] and North America[18] at an average of 60-65 percent. Hence, the HMLV segment is expected to grow with the total market in Europe and North America at approximately 1 percent per annum until 2021. During the same period the HMLV segment is expected to grow by 2 percent globally.[19]



10) EY Market Review November 2017.
11) EY Market Review November 2017.
12) The Company's assessment.
13) EY Market Review November 2017.
14) The Company's assessment.
15) EY Market Review November 2017.
16) The Company's assessment.
17) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
18) North America in this context refers to: Canada, Mexico and the U.S.
19) EY Market Review November 2017.

Value chain

An advanced trader's position in the value chain is to take the whole responsibility towards the customer – from design support, via prototyping, production and quality control to delivery – as opposed to a basic trader, which typically acts as an outsourced purchasing function.[20] The ability to aggregate supply and demand of PCBs creates a value, in particular in the HMLV segment, both for the customers who can benefit from the advanced traders' purchasing power, and for the manufacturers, who can benefit from having one highly specialized counterparty.[21] European and U.S. customers buy PCBs from traders with local presence and sourcing expertise to get a wide range of high quality PCBs at competitive prices. In this role in the value chain, traders also provide an alternative route for the manufacturers than direct sales to EMS and OEM companies[22]. Advanced traders' position in the value chain is expected to become stronger in Europe and the U.S. as domestic PCB production decreases and imports increase.[23] The PCB value chain is illustrated below.



1) Original Equipment Manufacturer. 2) Electronics Manufacturing Services. 3) Original Design Manufacturer.
Source: EY Market Review November 2017.

PCB value chain participants

PCB manufacturing

China and the rest of Asia accounted for approximately 91 percent of PCB manufacturing in 2016, with the remaining 9 percent being covered by European, North American and South American manufacturers.[24] Only in China there are approximately 1,300 manufacturers with export permits to the U.S.[25]

PCB production is highly capital intensive with large-scale production sites. Generally, manufacturers specialize in a few areas, for example combinations of material types, layer counts, lead time, etc., to be competitive, developing a "sweet spot", in which they are more competitive with regards to quality of product, service and price. This means that a company with one or two manufacturers will generally not be able to cater to all of a PCB customer's demands at competitive terms.[26] While PCB manufacturers are limited in their product offering, a trader can exploit many of the manufacturers' sweet spots and have a wide product offering.[27]

Sales and distribution of PCBs

Sales and distribution of PCBs takes place mainly through two channels: direct sales from manufacturers and sales via traders. Generally, PCBs in the high-volume segment are sold directly from manufacturers to customers, while traders have a larger share of sales in the HMLV segment.[28]

For a European/North American customer, there are four main alternatives for sourcing PCBs:

- Direct purchasing from European/North American manufacturers
- Direct purchasing from Asian manufacturers
- Purchasing via basic traders
- Purchasing via advanced traders

Direct purchasing from European/North American manufacturers

European/North American manufacturers have high customer proximity and generally strong production know-how, however offering few types of PCBs at a relatively high direct cost. European/North American manufacturers are diminishing in numbers with production moving to low-cost countries predominantly in Asia.[29]

Direct purchasing from Asian manufacturers

Sourcing from Asian manufacturers generally generates low direct costs but is a complex procedure (resulting in high indirect sourcing costs). It requires the customer to have extensive knowledge in PCB production, a large organization to handle sourcing and quality control and strong purchasing power. Customers requiring smaller volumes often struggle to get attention and reasonable terms from the manufacturers.[30]

Purchasing via basic traders

The share of purchasing PCBs from manufacturers in Asia via basic traders (which includes local manufacturers trading operations) increased with the close down of PCB production in the U.S. and Europe. Purchasing via a trader reduces the complexity through

20) EY Market Review November 2017.
21) The Company's assessment.
22) See the section "*Glossary*".
23) EY Market Review November 2017.
24) EY Market Review November 2017.
25) The Company's assessment.
26) EY Market Review November 2017.
27) The Company's assessment.
28) EY Market Review November 2017.
29) EY Market Review November 2017.
30) EY Market Review November 2017.

decreasing the need for expertise in sourcing PCBs in-house, but still the customer is incurring costs and risks by hiring basic traders, acting solely as intermediaries with limited or no manufacturer presence, lack of design support and prototype offering.[31]

Purchasing via advanced traders

The advanced traders' full integration in the production process and local presence in China enables them to take the whole responsibility towards the customer as opposed to a basic trader which typically acts as an outsourced purchasing function. Purchasing via an advanced trader decreases the risk and complexity for the customers. Advanced traders have high customer presence to ensure best possible service and manufacturer presence to ensure highest quality.[32] Customer aggregation makes large advanced traders prioritized customers for the manufacturers, thus enhancing purchasing power and payment terms. Due to their large number of active product lines, large EMS customers (see explanation of EMS customer below) in particular benefit from advanced traders' wide product offering through flexibility in choice of manufacturers.[33]

Customers

There are mainly two types of PCB purchasers: Original Equipment Manufacturer companies ("OEM" companies) and Electronics Manufacturing Services companies ("EMS" companies). In general terms, an EMS customer demands a much wider range of PCBs than an OEM customer, as its range of products is wider. EMS customers focus more on price than OEM customers. It is explained by, inter alia, that PCBs account for a much larger share of the value of an EMS customer's product, approximately 8-12 percent for PCB-As, but also of the lower margins EMS customers typically operate with. PCBs account for approximately 1-3 percent of the value of an OEM customer's end-product. Due to the EMS customers' wide product offering, traders are used to a large extent. Typically, OEM customers source HMLV orders from traders and high-volume orders directly from Asian manufacturers.[34]

EMS customers

EMS companies provide assembly and purchasing services to OEM customers and Original Design Manufacturer customers ("ODM customers") when their own production is not suitable depending on technical level and capacity. An EMS customer purchases components, which it combines to an assembly for an OEM customer or an ODM customer. The assembly can be, for example a PCB-A, comprising the PCB and electronic components such as diodes, transistors, microprocessors, resistors, relays and switches, but it can also be a complete end-product such as a cell phone.

The typical EMS customer needs to source numerous different PCBs due to its high number of products, while the typical OEM/ ODM customer generally has fewer products resulting in fewer types of PCBs needed. An EMS customer generally has several preferred suppliers to primarily purchase PCBs from the HMLV segment from.[35] Due to the breadth of EMS customers' product lines, they often hire advanced traders in order to benefit from their expertise when purchasing PCBs.[36] EMS customers account for approximately 60 percent of NCAB's sales.[37]

OEM customers

OEM customers are manufacturers of their own products, and operate in their own end-industry. OEM customers can either purchase both components and PCBs, and assemble the components into a PCB-A in-house, or buy PCB-As from an EMS company. Direct sales to OEM customers account for approximately 40 percent of NCAB's sales.[38]

ODM customers

ODM companies do not have any in-house production, and they normally only do the design, marketing and sales distribution of a product. ODM customers instead use EMS companies to assemble the complete product.[39] Consequently, ODM customers are only indirect customers to NCAB and indirect sales to ODM customers are accounted for as sales to EMS customers. In approximately one fourth of NCAB's orders that originate from an ODM customer, the ODM customer decides which PCB supplier(s) the EMS company that it works with has to use. This is more frequently occurring for hi-tech applications, and the PCB supplier is generally in a strong bargaining position to achieve high margins in these situations.[40]

Relevant markets

North American market size and structure

The North American[41] PCB market amounted to approximately USD 4.3bn in 2016, of which net imports accounted for approximately USD 1.5bn. The total North American market is expected to grow at a CAGR of 1 percent up to and including 2021, while the corresponding figure for net imports is 4 percent per annum. The increase in net imports (approximately USD 1.5bn in 2016 to approximately USD 1.9bn in 2021) is driven by both an overall demand growth (approximately USD 4.3bn in 2016 to approximately USD 4.6bn in 2021) and declining domestic production (approximately USD 2.8bn in 2016 to approximately USD 2.7bn in 2021).[42]

NCAB is mainly focused on the HMLV demand in North America, which accounts for approximately 60 percent of the total North American market, corresponding to approximately USD 2.6bn.[43]

European market size and structure

The European[44] PCB market amounted to approximately USD 4.1bn in 2016, of which net imports accounted for approximately USD 2.1bn. The total European market is expected to grow at a CAGR of 1 percent up to and including 2021, while the corresponding figure for net imports is 4 percent per annum. The increase in net imports (approximately USD 2.1bn in 2016 to approximately USD 2.5bn in 2021) is driven by both an overall demand growth (approximately USD 4.1bn in 2016 to approximately USD 4.3bn in 2021) and declining domestic production (approximately USD 2.0bn in 2016 to approximately USD 1.8bn in 2021).[45]

NCAB is mainly focused on the HMLV demand in Europe, which accounts for approximately 65 percent of the total European market, corresponding to approximately USD 2.7bn.[46]

31) EY Market Review November 2017.
32) EY Market Review November 2017.
33) The Company's assessment.
34) EY Market Review November 2017.
35) EY Market Review November 2017.
36) The Company's assessment.
37) EY Market Review November 2017.
38) EY Market Review November 2017.
39) EY Market Review November 2017.
40) The Company's assessment.
41) North America in this context refers to: Canada, Mexico and the U.S.
42) EY Market Review November 2017.
43) EY Market Review November 2017.
44) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
45) EY Market Review November 2017.
46) EY Market Review November 2017.

Market trends for advanced traders in relevant markets

Growth in underlying demand of electronics systems

Growth in the value of electronic systems is driven by increased digitalization across end-industries. The value of electronic systems in relevant end-industries including med-tech, automotive, industrial, aerospace and defense, telecom and "3C"[47] are all expected to grow at approximately 4 percent per annum until 2021 globally.[48]

Consolidation of manufacturers in China

There is an ongoing trend of consolidation of PCB production and manufacturers in China, mainly through larger manufacturers outgrowing the market, making it increasingly difficult for customers to receive favorable terms unless they are a significant customer to the growing manufacturers. This is expected to amplify the importance of traders' roles in aggregating of customer demand, and is expected to drive growth in the trader niche. At the same time the growing manufacturers often try to gain market shares by bypassing traders and sell directly to larger customers, which in particular impacts the high-volume segment.[49]

Domestic production decreasing in Europe, North America and South America

In 2000 European, North American and South American manufacturers accounted for 42 percent of total PCB production worldwide. In 2016 the corresponding figure was 9 percent. China's share of the global production increased from approximately 8 to 50 percent during the same period. The large movement between 2000 and 2016 is mainly related to production in the high-volume segment, while the production that is still remaining in Europe and North America primarily relates to the HMLV segment. The production is now moving to Asia at a slower pace than previously, however, the decreasing domestic production is today largely concentrated to the remaining HMLV production. In 2016, the domestic production corresponded to approximately 50 percent of total demand in Europe[50] and to approximately 65 percent of total demand in North America[51]. In 2021, the share of domestic production in relation to total demand is expected to be approximately 40 percent and approximately 60 percent in Europe and North America, respectively.

The above trend creates an undersupply of locally produced PCBs in Europe[52] and North America of approximately USD 250m. Advanced traders, such as NCAB, are well-positioned to benefit from the anticipated increase in net imports in Europe and North America.[53]

Stabilizing PCB prices

Over the last years, PCB prices have been pressured, primarily due to capacity increases and exchange rate fluctuations. A better balance in global supply and demand as well as adjusted price levels between markets are expected. The average prices of PCBs are expected to stabilize, as a result of the price pressure on PCBs being offset by an increased share of more expensive high-tech PCBs. Production costs are expected to be stable, as increased cost for material, staff and regulatory compliance is anticipated to be offset by further automation and process improvements. Electronics face a constant price pressure which is partly channeled down to PCB manufacturers, especially in the high-volume segment.[54]

Competitive landscape

The PCB market in Europe and North America is a fragmented market with many local players. NCAB's primary competitors are other advanced traders, for example German Fineline, French ICAPE and U.S. PalPilot, operating in a similar fashion as NCAB with local customer presence as well as organizations in China to ensure quality and capacity.[55] Other types of competitors are Asian manufacturers selling directly to customers in Europe and North America (however mainly catering for high-volume demand), domestic manufacturers and basic traders without factory presence.[56]

Among advanced traders, NCAB is estimated to be one of the largest in the aggregated European and North American market. In Sweden NCAB is the largest player in the market[57]. The Company also assesses that it is one of the largest suppliers in Norway and Finland.

47) 3C: Cellphones, Computers and peripherals and Consumer goods.
48) EY Market Review November 2017.
49) The Company's assessment.
50) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
51) North America in this context refers to: Canada, Mexico and the U.S.
52) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
53) EY Market Review November 2017.
54) EY Market Review November 2017.
55) The Company's assessment.
56) EY Market Review November 2017.
57) EY Market Review November 2017.

Business overview[1]

NCAB in brief

NCAB offers a broad range of PCBs, which are sourced from external manufacturers, predominantly located in China. In 2017 NCAB sold approximately 113 million PCBs and revenue for the year amounted to SEK 1,400.3m and adjusted EBITA to SEK 113.7m. NCAB was founded in 1993, is headquartered in Stockholm, Sweden, and had 365 employees as of 31 March 2018. NCAB has subsidiaries in 15 countries.

As an advanced PCB trader, NCAB serves a fundamental aggregation role between supply and demand on the market. The Company adds value to customers and manufacturers by being a single point of contact with close proximity to both customers in their local markets and to its partner manufacturers.[2] Serving approximately 1,650 customers[3] in 45 countries worldwide, NCAB is one of the largest advanced traders of PCBs globally.[4]

Each local NCAB company consists of a managing director, Key Account Managers ("KAMs"), customer support, technical specialists as well as finance and logistics functions, providing the customer with a point of contact in their local market. Through extensive manufacturer presence with the factory management organization in China performing quality assuring activities such as regular audits of the manufacturers, NCAB can ensure high quality PCBs. Efficient logistics set-ups and local warehousing at each local office provide tools for high delivery precision.

NCAB has two key customer groups: EMS and OEM customers. The typical EMS customer needs to source numerous different PCBs due to its large number of products, while the typical OEM/ODM customer generally has fewer products resulting in a lesser demand of different lines of PCBs.[5] NCAB mainly caters for its customers' HMLV orders. EMS customers account for approximately 60 percent of NCAB's sales, and OEM customers account for approximately 40 percent of NCAB's sales. NCAB has a low dependency on single customers with the ten largest customers accounting for approximately 27 percent of revenues in 2017.[6]

Approximately 80 percent of NCAB's purchases of PCBs are sourced from 18 preferred manufacturers, of which 13 are located in China and five are located in the U.S. and Europe. The multi-sourcing set-up, i.e. to have several different manufacturers in its network that can offer PCBs in each technology, ensures high flexibility, capability, capacity and strong purchasing power. Nearly all production is sourced from the manufacturers in China, while the manufacturers in the U.S. and Europe are strategically important to be able to offer prototyping with short lead and delivery time. For special projects, or in cases where the preferred manufacturers lack capacity or a certain capability, NCAB can source from manufacturers other than the preferred manufacturers.

NCAB has an asset light business model with low needs for capital expenditures, as the Company operates with no in-house production. The Company's investment requirements are limited to for example IT systems, renovations and office equipment. As PCBs are always custom made for an end-product, NCAB's inventory levels are low with inventories of SEK 97.5m as of 31 December 2017, which corresponds to 7.0 percent of revenues as of 31 December 2017. Net working capital corresponded on average to 7.8 percent of operating revenues 2015-2017.[7]

NCAB has achieved profitable growth with revenues growing from SEK 374.0m in 2008 to SEK 1,400.3m in 2017 (CAGR of 15.8 percent) and adjusted EBITDA growing from SEK 20.9m to SEK 117.6m in the corresponding period.[8] Since 2008, the Company has made two material acquisitions (which comprise the foundation of today's NCAB Group USA Inc.).[9] However, the main growth driver has been geographic expansion to countries such as Germany, the UK and France.[10]

1) For definitions, reasons for use and reconciliation tables to the financial key performance indicators presented in this section, see the section "*Selected financial information – Selected key performance indicators for NCAB*".
2) EY Market Review November 2017.
3) NCAB's internal reporting system.
4) EY Market Review November 2017.
5) EY Market Review November 2017.
6) NCAB's internal accounting or reporting system.
7) NCAB's internal accounting or reporting system.
8) NCAB's internal accounting or reporting system.
9) EY Market Review November 2017.
10) The Company's assessment.

History

The picture below shows NCAB's history since the founding in 1993.

When NCAB was founded it focused on supplying customers with high quality PCBs from external manufacturers mainly located in China. For many years, the Company operated without much interaction with the manufacturers – essentially being a basic trader of PCBs.

Current CEO of NCAB, Hans Ståhl, joined NCAB in 2003 with a vision of an organization with strong local presence not only at the customer but also with the manufacturers, ensuring high quality and close relationships with the manufacturers. This was materialized in 2006 when the current factory management organization was put in place, which increased both quality and delivery precision. The Company has been the parent company in the Group since 2007, when the Company was founded.

Since 2007 NCAB has focused on growth and expansion, especially organic growth. NCAB has made greenfield expansions since 2007 to Germany, Poland, the UK, France and Italy, where NCAB established itself in the respective market by starting new subsidiaries and offices and recruiting new personnel. These businesses, together with the business in Spain form the Company's segment Europe, which accounted for 36.2 percent of the Group's total net sales in 2017.[11] NCAB made two large acquisitions in the U.S. during 2012 and 2014.

Vision

To be the leading PCB supplier – in all our countries of operation.

Mission

To provide defect-free PCBs for demanding customers, on time and at the lowest total cost.

Strengths and Strategies

Strengths and competitive advantages

NCAB believes that the successes as well as the future prospects derives from its strong position in a market benefiting from fundamental trends and drivers. Some of NCAB's competitive advantages are:

- Strong position in a market with stable growth and fundamental trends benefiting PCB traders
- Unique proposition to customers and manufacturers
- Long track record of profitable growth with resilience to macroeconomic shifts
- Asset light business model with strong cash flows
- Experienced management team with many years of experience of managing a company with growth and good profitability

Underlying market with stable growth and fundamental trends benefiting PCB traders

The global market for PCBs is expected to grow at a CAGR of approximately 3 percent from 2016-2021, primarily driven by increasing value of electronic systems and a stable price level for PCBs. The European[12] and North American[13] markets are expected to grow at CAGRs of approximately 1 percent, respectively, over the same period.[14]

At the same time as demand for PCBs in NCAB's markets is expected to grow, production of PCBs has been, and is expected to continue to be, transferred to Chinese manufacturers due to more cost efficient production. In 2016, the domestic production corresponded to approximately 50 percent of total demand in Europe[15] and to approximately 65 percent of total demand in North America[16]. In 2021, the share of domestic production in relation to total demand is expected to be approximately 40 percent in Europe and approximately 60 percent in North America.[17]

The above trend creates an undersupply of locally produced PCBs in Europe[18] and North America of approximately USD 250m.[19] This is to a large extent, expected to be captured by advanced PCB traders, such as NCAB.[20]

1993-2003
From PCB trader…

1993 – 1998 – 2000 – 2001 – 2002 – 2003

1993: NCAB founded by Lars Östlund, Leif Pettersson and Bo Andersson

1998: Establishment of NCAB Group Finland Oy

2000: Establishment of NCAB Macedonia A.D

2001: Establishment of NCAB Group Denmark A/S, Acquisition of Acticon Trading AB

2002: Establishment of NCAB-Ericon Ltd and NCAB Group Norway AS

2003: Establishment of NCAB Group Shen Zhen Co. Ltd and NCAB Group Iberia SA

2004-2011
…to full service PCB supplier…

2004 – 2007 – 2009 – 2011

2004: Shift of business model towards a more integrated full service offering

2006: The start-up of Factory Management

2007: Establishment of NCAB Group Germany GmbH and NCAB Group Polska Sp. z o.o.

2009: Establishment of NCAB Group UK Ltd

2011: Establishment of NCAB Group France

2012-
…with global presence

2012 – 2014 – 2015 – 2016

2012: Establishment of NCAB Group USA Inc. through acquisition of P.D Circuits Inc.

2014: Acquisition of M-Wave International LLC.

2015: Acquisition of Ulf Andersson Elektronik AB, Sweden, ISO 26000 certification

2016: Establishment of NCAB Group Italy S.r.l.

2017: Establishment of NCAB Group Estonia OÜ

11) Audited consolidated financial statement as of and for the financial year ended 31 December 2017.
12) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
13) North America in this context refers to: Canada, Mexico and the U.S.
14) EY Market Review November 2017.
15) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
16) North America in this context refers to: Canada, Mexico and the U.S.
17) EY Market Review November 2017.
18) Europe in this context refers to: Austria, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland and UK.
19) EY Market Review November 2017.
20) The Company's assessment.

Strong position in a fragmented market

NCAB is one of the largest advanced traders of PCBs globally. NCAB holds strong market positions in the Nordic countries, being the largest PCB trader in Sweden.[21] NCAB is also one of the largest in Norway and Finland[22].

The markets in which NCAB operates are in general fragmented, characterized by a large amount of smaller and local traders.[23] NCAB is one of few PCB traders with a broad geographical presence and NCAB expects that its strong market position and broad geographical reach will enable it to serve global customers, increase market shares, enjoy benefits of scale as well as drive market consolidation.[24]

Unique proposition to customers and manufacturers

NCAB offers its customers an extensive range of PCBs and its wide manufacturer network can offer PCBs of almost all types. This enables NCAB to offer its customers high flexibility, capacity and capability, as well as to benefit from the purchasing power that NCAB has generated by aggregating the demand of its approximately 1,650 customers.

Quality is a top purchasing criteria in relation to PCBs, due to the fact that PCBs often represent a relatively small share of the value of the end-products, but are at the same time critical to the function of the end-product, where a faulty PCB can cause significant costs. Many customers source their HMLV components through an intermediary in order to focus its own purchasing organization on high-volume and high-value components. Through early involvement via design support and prototyping, NCAB can increase producibility and decrease the number of design errors, which decreases the customers' total cost. NCAB has established processes for quality control as well as extensive factory presence with rigorous audits and evaluations of manufacturers.[25] NCAB's high delivery precision and flexible logistics solutions are crucial to shorten the customers' time to market as PCBs are often the last component to arrive in an assembly line.

Manufacturers benefit from NCAB providing a large volume of PCBs through its large customer base as well as providing a route to market for the manufacturers through NCAB's broad customer reach. Furthermore the Company's established factory management team helps the manufacturers to improve processes, quality and technological knowledge enabling further advancements in their product offering.[26]

Long track record of profitable growth with resilience to macroeconomic shifts

NCAB has a robust and resilient business model supported by its position in the value chain and beneficial market drivers. The CAGRs of revenue and adjusted EBITDA between 2008 and 2017 were 15.8 percent and 21.1 percent, respectively, with adjusted EBITDA margins of above 4.5 percent every year despite organizational investments to drive growth as well as manage fluctuations in the general economic climate.[27] NCAB has a flexible cost structure where the main operating expense is the staff costs. During the financial crisis in 2009, NCAB experienced lower sales than for the previous year but still managed to maintain an adjusted EBITDA margin of 6.2 percent (0.6 percentage units higher than in 2008), illustrating the resilience and flexibility of the business model.

Asset light business model with strong cash flows

NCAB operates an asset light business model which generates strong cash flows. Cash conversion[28] amounted to 79.2 percent in 2017, 84.9 percent in 2016 and 76.1 percent in 2015. Since NCAB does not own any factories or premises the only capital expenditures are related to minor investments, for example IT systems and office equipment. Capital expenditures in intangible assets and property, plant and equipment amounted to 0.3 percent in 2017, 0.5 percent in 2016 and 0.2 percent of revenues in 2015.[29]

In addition to the low capital expenditures NCAB has an efficient working capital management with limited inventories since all orders are custom made, furthermore, NCAB has attractive payment terms towards manufacturers and from customers. Net working capital[30] corresponded on average to 7.8 percent of operating revenues 2015-2017. The ability to generate strong and stable cash flows has enabled NCAB to invest in further growth initiatives.

Experienced management team with proven track record

NCAB's current management team has been with the Company for on average ten years. The CEO of NCAB, Hans Ståhl, and the CFO of NCAB, Anders Forsén, have been with the Company since 2003 and 2008, respectively. The current management team has a proven track record, showing profitable growth, including organic geographical expansion as well as acquisitions.

Strategies

Overall ambition and strategic objectives

NCAB has a strategic plan to continue to grow with healthy profitability. The plan is divided into four parts: increase market share in segments Europe, U.S.A. and East, ensure profitability from existing customers, geographical expansion and market consolidation.

Increase market shares in segments Europe, U.S.A. and East

In several large countries including France, Italy, Germany and the U.S., NCAB still holds low market shares. NCAB believes that the Group can increase its market share in the respective countries through investments in the organization, for example by hiring new staff and establishing additional offices in larger countries such as Germany and the U.S. to better cater to regional customers' demands. These large countries and markets all still have significant domestic production of PCBs, from which NCAB aims to gain market shares as the domestic production is declining. The ambition to increase market shares through investments in the organization is expected to drive organic growth but also to continue to hold back the profitability levels to some degree, through increasing operating expenses.

21) EY Market Review November 2017.
22) The Company's assessment.
23) EY Market Review November 2017.
24) The Company's assessment.
25) EY Market Review November 2017.
26) The Company's assessment.
27) Audited consolidated financial statements and audited consolidated annual reports as of and for the financial years ended 31 December 2008-2017.
28) See the section "*Selected financial information – Selected key performance indicators for NCAB*".
29) Audited consolidated financial statements as of and for the financial years ended 31 December 2017, 2016 and 2015.
30) See the section "*Selected financial information – Selected key performance indicators for NCAB*".

Ensure profitability from existing customers

In markets where NCAB has a strong position, for example in segment Nordic, NCAB's main focus is to deepen the relationships with existing customers to improve profitability. NCAB believes that the value of its proposition to customers can be improved by: focusing on the largest customers, creating global customer accounts and by generally increasing the share of wallet of PCBs. By proving the long-term value proposition to its larger customers, helping them to decrease total cost, NCAB can serve its customers at the same time as increasing profitability in its customer relationships. In general the largest customers are the most profitable customers for NCAB to focus on as price levels tend to be higher once NCAB has been able to prove its long-term value.

By creating global customer accounts, NCAB can have a broad geographical reach, serve and receive orders from the same customer in several markets. Furthermore NCAB will be less dependent on finding new customers when entering a new market. By entering customer projects early, for example, in the design process, NCAB can provide its entire service offering, enabling NCAB to take an increased share of wallet of PCBs and build a deeper customer relationship.

Geographical expansion

NCAB has a track record of entering new countries and markets through successful greenfield establishments in for example the UK and France. There are several large markets worldwide where NCAB has yet to establish local presence, including well-developed markets with many similarities to NCAB's current main markets, for example the Benelux region, as well as large and growing markets and countries, as for example India and Malaysia. With its global expertise in the PCB market and well-established approach when entering new markets, NCAB deems itself to have a strong toolbox to establish greenfield expansions successfully.

Market consolidation

As NCAB is one of the largest advanced PCB traders in a fragmented market, the Company holds a strong position to drive market consolidation. NCAB has made several acquisitions in the recent years, including for example the U.S. expansion through the acquisition of P.D. Circuits Inc. followed by a bolt-on acquisition of M-Wave International LLC. With potential acquisition targets located both in markets where NCAB has yet to establish local presence as well as markets where NCAB has strong positions, there are possibilities to broaden the geographical footprint as well as increase market shares in existing markets through acquisitions. Potential synergies of acquisitions are mainly derived from economics of scale, i.e. being able to serve more customers without increasing operating expenses proportionally, and increased purchasing power towards manufacturers.

Financial Targets

NCAB's medium-term objective is to achieve an average growth before acquisitions of approximately 8 percent per annum and an adjusted EBITA margin of 8 percent. The objective in respect of the capital structure is that net debt in relation to adjusted EBITDA should be less than 2.0. The indebtedness can temporarily be higher, for example in connection with larger acquisitions. NCAB intends to distribute available cash flow, after taking into account the Company's indebtedness as well as future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50 percent of net profit.

NCAB's offer

NCAB is an advanced PCB trader, acting as a key player in the PCB purchase process by aggregating supply and demand. NCAB delivers added value to its customers through its own concept of "Integrated PCB production". This concept means that NCAB takes the whole responsibility towards the customer – from design support, via prototyping, production and quality control to delivery – as opposed to a basic trader, which typically acts as an outsourced purchasing function. Customers interact with NCAB and not with the manufacturers. In addition, NCAB works continuously to strengthen quality and its offering through its factory management, manufacturer audits and sustainability approach. By using NCAB, the customers can source PCBs, especially in the HMLV segment, more efficiently, and can thus lower the costs for handling purchasing, freight, quality control, returns and claims.

NCAB provides its customers with a full-service offering from design support to logistics solutions, with end-to-end accountability. Local presence, technical expertise (for example design support), rigid quality procedures (for example vetting and auditing processes for manufacturer qualification) and purchasing power are key components to the core offering.

Production

NCAB owns no production facilities. Instead NCAB purchases its products from a network of manufacturers. NCAB currently has 18 preferred manufacturers, 13 of which are located in China. NCAB's five other preferred manufacturers are located in Europe and the U.S. and are used primarily for prototyping and for orders with very short lead times. NCAB aims to account for at least 15 percent of the preferred manufacturers' turnover to secure a close relationship, improve purchasing power and to gain priority of each manufacturer.

Through its manufacturer network, NCAB can offer its customers almost all types of PCBs. In order to ensure high flexibility, capacity, capability and strong purchasing power in its customer offering, NCAB strives to multi-source all PCB technologies. Through multi-sourcing, NCAB can offer high capacity and quality as well as low prices and short lead times in almost any PCB technology that the customer requests.

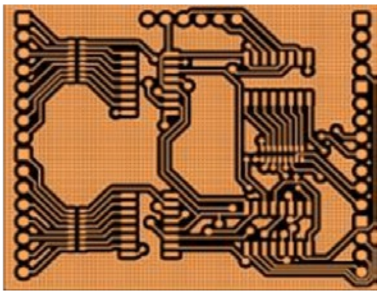
NCAB has a strong purchasing power since NCAB aggregates customer demand to manufacturers, creating large order volumes for the manufacturers to benefit from. This enables NCAB to offer its customers competitive prices and terms.

NCAB has built deep, long-term relationships with its preferred manufacturers. NCAB works closely with the preferred manufacturers to improve quality and efficiency in the production (see the section *Factory Management* below), making NCAB a preferred and prioritized customer as well as providing NCAB with solid knowledge of the manufacturers' capacities and capabilities.

Technical and design support

As a part of NCAB's full-service offering, NCAB offers design support for all new designs. NCAB's design support aims to increase the efficiency of its customers' PCB designs, ensuring that the PCBs are optimally designed for producibility and in accordance with the specifications. This enables lower production costs without impairing the function or quality of the PCB. NCAB's technicians work together with its customers' designers to advice on how to make more advanced boards with the latest technologies. One of the most important tasks for NCAB's technicians is the handling of customer complaints, which is crucial as it normally means production stop for the customer.

The customer provides NCAB with their design in an image format specified for PCBs, the most frequent example of which is a Gerber file (see picture below). A Gerber file is a digital drawing in a specific format and comprises all data needed in terms of design and specifications.[31] However, approximately 30 percent of all Gerber files provided by customers are faulty or incomplete, which is why NCAB's design support is essential. NCAB points out potential areas of improvement for producibility and completeness of the provided specifications and recommends changes to the design. If the manufacturer has follow-up questions or remarks on the PCB specifications, NCAB acts as a filter towards the customer, forwarding only relevant questions and remarks.



Example part of a Gerber file showing the design of an upper copper layer.

NCAB's technicians are experienced within PCB production. The technicians work daily with Gerber files and customer-specific solutions and most technicians have many years' of experience of PCB production. NCAB's technicians have experience of and aim at producing PCBs at the lowest possible cost without compromising the customers design goals. This service works equally well with either OEM or EMS customers.

Prototyping

NCAB offers prototyping to its customers, provided that the prototype order has volume potential. A PCB prototype is made in order to verify that the design of the PCB works in practice. As for prototype orders, the Chinese preferred manufacturers can typically not deliver the prototypes at a short enough lead time to European and U.S. customers. Therefore, prototypes are typically sourced from the preferred manufacturers in Europe or the U.S. NCAB's ability to offer both prototyping and subsequent volume production shortens time to market and reduces risks of extra costs for the customer, since insufficient communication between prototype manufacturers and volume producers can make the process inefficient and delay time to market.

Quality assurance

NCAB carries out both proactive and reactive quality assurance. Design support, rigorous manufacturer audits, and extensive production specifications are examples of NCAB's proactive efforts to ensure quality. NCAB's reactive quality assurance includes rigid processes for handling of complaints, to have a local point of contact for the customer, and to have local laboratories in larger NCAB offices which can examine the PCBs for potential defects. If new PCBs must be produced as replacement for defect PCBs, NCAB has a wide manufacturer network which can produce replacement PCBs within a couple of days. NCAB takes full responsibility for any problems that occur, which decreases the customers' costs for handling defects.

Institute Printed Circuits ("IPC") is a global standards institution for PCBs providing established standards for PCB production. To ensure high quality, NCAB has introduced and applies its own quality standards on top of IPCs industry standards, with the aim of reaching higher quality levels. All stages of the production process, from design to freight, are optimized to ensure quality and minimize the number of faulty deliveries. Production is followed by a stringent product

31) EY Market Review November 2017. See also section "*Glossary*".

specification and quality control process. Each production batch goes through manual as well as automated inspection before delivery.

NCAB's quality assurance work is performed by its factory management team, which works proactively together with NCAB's manufacturers, at their factories to increase the quality of the products. See "*Factory Management*" below.

On-time delivery

Through close proximity to manufacturers, rigid processes and dense follow-up, internally as well as externally towards manufacturers, short lead times and high delivery precision are ensured. To ensure high delivery precision, NCAB has a close relationship with its two main logistics partners. Further, NCAB has logistics functions in every country where it has presence. On-time delivery is a key feature as PCBs are often the last components to arrive in an assembly line.[32]

Orders produced in China are delivered from the manufacturer to NCAB's export terminal in Hong Kong and are shipped from there directly or indirectly, via one of the Group's warehouses, to the customers. PCBs produced in Europe and the U.S. are, with a few exceptions, delivered directly from the manufacturer to NCAB's customers. Shipments are in some cases delivered directly to the customer, however in most cases they are stored at local NCAB facilities for a number of days to ensure on-time delivery. To ensure short lead times, factory management is monitoring all shipments from the manufacturer, making sure any deviations from the schedule are taken care of.

Customers

NCAB serves approximately 1,650 EMS and OEM customers, who mainly hires NCAB when purchasing PCBs within the HMLV segment. The customers are located in 45 countries worldwide. In 2017, the two largest customers combined accounted for less than 12 percent of the Group's revenues. The ten largest customers accounted for approximately 27 percent and the 50 largest customers for approximately 50 percent of the Group's revenues, showing that NCAB has a diversified customer base.[33]

Just over half of NCAB's customers are active in the industrial sector. Typical industrial customers manufacture electronic components for advanced industrial products which makes quality and reliability important. NCAB also has customers in other sectors, such as med-tech, telecom and automotive.[34]

Sales and marketing

NCAB has 51 KAMs focusing on developing the existing customer base and on marketing NCAB's offer to existing and new customers. The KAMs are NCAB's local points of contact for the customers. The KAMs and their teams have a central role in the Group's business and they manage and establish customer relationships on a relatively independent basis. The KAMs ensure parallel interaction with the customers at all decision-making levels, creating a common understanding of the customers' requirements with the aim to achieve the desired quality and delivery precision. The local companies have responsibility for the entire supply chain, from the design stage, via prototyping, production and quality control to delivery. In addition to its KAMs, NCAB has 14 Global Account Managers coordinating and assisting in the work towards NCAB's global customers, i.e. customers who are customers of several companies in the Group. As of 31 March 2018 NCAB had 365 employees, of which almost all have customer contact and are part of the sales process. For example, NCAB's technicians interact with the customers' technicians in the design support process, thus contributing in the sales process.

Marketing activities

Marketing is primarily conducted through fairs, newsletters, blogs, seminars and the Group's website. NCAB also host open and customized seminars with different topics. For example, a topic for such a seminar can be PCB design and the technicians then take part in the sales processes and marketing activities.

Factory Management

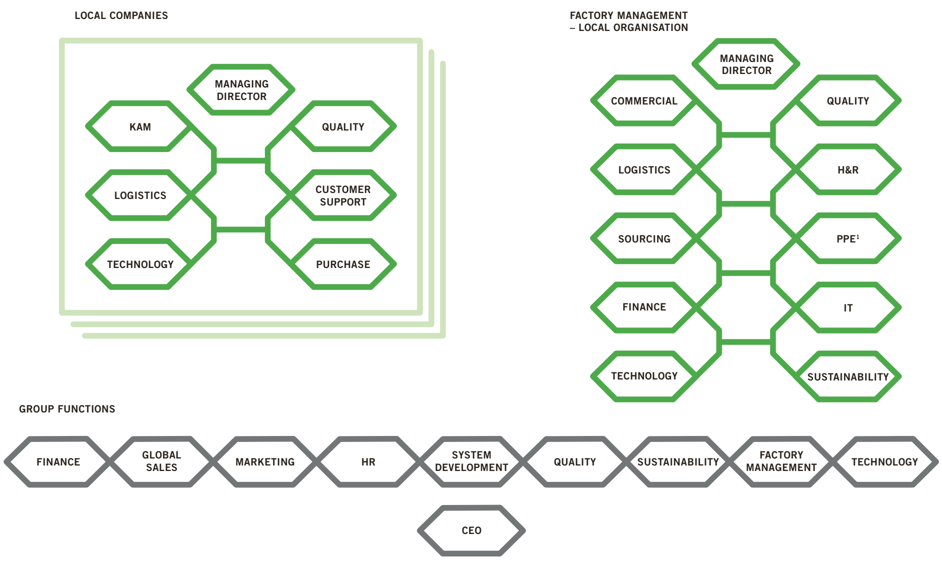
The NCAB factory management organization, illustrated below, aims to ensure the continuity and performance of all NCAB's Asian manufacturers. The factory management consists of 61 employees, based mainly in China, creating close relationships with the manufacturers. The team is responsible for managing and developing NCAB's manufacturing portfolio in line with market needs and the Group's standards. The factory management staff works closely with the manufacturers to ensure quality in the production through auditing and optimization of their production processes and sustainability practices as well as through the development of new sourcing opportunities. Their most important key performance indicators are quality, delivery performance and pricing.

NCAB uses multi-sourcing as each manufacturer has different capabilities and capacities, ensuring high capacity regardless of PCB type and volume. Manufacturers are typically more or less specialized within a few technologies, consequently multi-sourcing is crucial to ensure high capacity regardless of utilization levels at individual manufacturers. NCAB strives to multi-source every level of technology, resulting in the possibility to switch between manufacturers in the same category depending on price, quality and availability. Another important mission is to develop and maintain NCAB's Preferred Supplier List. The sourcing of new manufacturers is an important task for the factory management team and is triggered by markets demands and increased capacity need.

The process of sourcing new manufacturers is rigid and entails research and benchmarking, factory visits to confirm data, sampling and verification, audits and follow-up visits, as well as educating the manufacturer's staff. When a manufacturer passes the approval process, it is incorporated in the Group's development program. This means that NCAB's factory management team works integrated with the manufacturers to improve production efficiency and quality down on a production line level.

NCAB measures quality as number of deliveries without customer complaints in relation to total number of deliveries and measures delivery precision as number of order lines delivered within the specified delivery time in relation to total number of order lines. Since the start-up of factory management, the quality has increased from 96.5-99.3 percent and the delivery precision has increased from 84-95 percent.[35] NCAB is perceived as one of the leading market participants as regards quality control and quality assurance.[36]

32) The Company's assessment.
33) NCAB's internal reporting system.
34) The Company's assessment.
35) NCAB's own internal system for following up on quality and delivery precision.
36) EY Market Review November 2017.



1) Personal Protective Equipment

Organization and employees

NCAB has a highly decentralized organization. NCAB has central group functions for managing finance, global sales, marketing, HR, system development, quality, sustainability, factory management and technology.

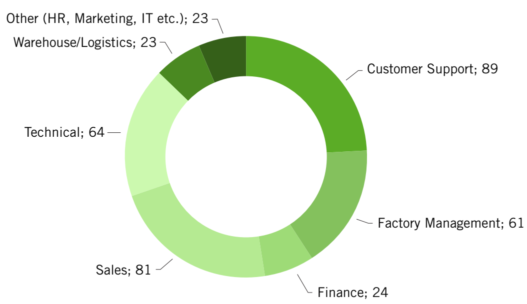
NCAB had 365 employees as of 31 March 2018. The number of employees split per position/description and country is set out in the diagrams below.

The overriding responsibility of the group functions is to develop systems, processes and markets. The local companies are responsible for customer relationships, as well as the on-site monitoring and handling of orders and deliveries. Each local company has its own managing director and every company within the Group operates autonomously, responsible for its own profit and loss. Customers have direct contact with locally based decision-makers which enables efficient and accurate customer support. The factory management team is also located in close proximity to the manufacturers.

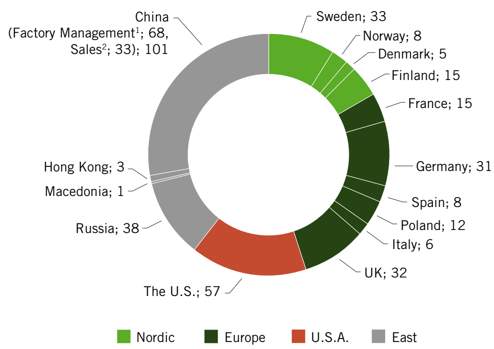
NCAB's central functions and decentralized operations contribute significantly to the cost efficiency of the local companies and allow them to focus on their customers.

NCAB has developed a global HR system, providing overview of skills and capabilities worldwide, to facilitate global movement among NCAB employees.[37] NCAB conducted an employee satisfaction survey in 2017 focusing on engagement, efficiency and leadership and scored on average 85 out of 100, compared to the average benchmark of 75 for all companies that participated in the survey. In 2016 NCAB scored on average 82 out of 100, and the average benchmark was the same as in the survey from 2017.[38]

Function



Country



1) Factory Management; the illustration includes all employees in this division, for example finance and HR.

2) Sales; the illustration includes all employees in this division, for example technical and customer support.

37) NCAB's HR system is based on software from the company Sympa Oy.

38) Internet surveys made by the company Netsurvey Sweden AB in 2017 and 2016.

IT systems

NCAB has a centralized IT system and the Company is the owner/licensor of the system the Group is using, with the exception of NCAB-Ericon Ltd (partly) and NCAB Macedonia A.D. The two do not use the IT systems procured by the Company. The management of NCAB's computer hardware is outsourced to a third party, whereas software and IT system management is handled in-house.

The Group uses purchased, generally available, IT solutions (i.e. solutions not developed specifically for the Company), however with two exceptions. The exceptions are the IT application iQuote which is used for managing quotations/tenders and has been developed by the Company together with a consultant, and the Company's IT-solution for managing purchasing, order information and logistics.

The IT systems make it possible to provide the Group's customers with status updates with regard to the status of the production of ordered PCBs and estimated delivery times. To achieve the goal of providing customers with accurate information, the Group is to some extent dependent on its suppliers' IT systems providing sufficient and correct information to the Group.

Sustainability

Quality and environmental management has been important to the Group for many years. During 2014, NCAB decided to implement ISO 26000, an international standard for social responsibility. Today NCAB is one of only seven companies in Sweden meeting the standard.[39] The result is a strategy covering ethical, social and environmental aspects, with clear priorities for a sustainable business. ISO 26000, which NCAB has used as a basis for its sustainability strategy, covers numerous aspects of sustainability. NCAB has used the standard to identify the most important issues, based on the Company's impact, its stakeholders' expectations and the improvements which can be achieved. It serves as a way of illustrating how NCAB's sustainability work strengthens these relationships.

NCAB's sustainability strategy specifies long-term goals, measurable goals, and focus areas from which NCAB set concrete actions. NCAB aims at being market leading in regard of sustainability work. Being one step ahead of its competitors and also of many of its customers makes NCAB well-positioned to benefit if sustainability issues become more important for its customers. Each year NCAB issues a sustainability report that has been prepared in accordance with Global Reporting Initiative's guidelines for sustainability reporting.

39) RISE Research Institutes of Sweden AB.

Selected financial information

The financial information should be read in conjunction with the sections "Operating and financial review", "Capitalization, indebtedness and other financial Information" and the financial statements contained in the section "Historical financial information". Figures recognized in this section have in some cases been rounded and therefore the tables do not necessarily always add up exactly.

Presentation of selected financial information

Unless otherwise stated, the selected financial information presented below has been derived from (i) NCAB's audited consolidated financial statements as of and for the financial years ended 31 December 2017, 2016 and 2015 which have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU ("IFRS"), and audited by NCAB's independent auditors, in accordance with what is stated in their report (RevR5) which is included in the historical financial statements and (ii), as regards information for the first quarter of 2017 and 2018, NCAB's reviewed interim report for the period 1 January to 31 March 2018, prepared in accordance with IAS 34.

Financial information referred to as "audited", in the tables below, has been derived from the audited consolidated financial statements mentioned above. Information referred to as "unaudited" has been derived either from NCAB's unaudited interim financial information or internal reporting system, or has been calculated based on such information.

The Offering Circular presents certain financial measures that are not defined in accordance with IFRS. See the section "*Financial definitions*" for a more detailed description of these items.

Consolidated statement of profit or loss

	For the three-month period ended 31 March		Year ended 31 December		
	2018	**2017**	**2017**	**2016**	**2015**
(SEK, thousands)	*Unaudited*		*Audited*		
Operating revenue					
Net sales	374,434	353,985	1,400,039	1,218,719	1,200,296
Other operating income	229	233	246	7,227	2,398
Total	**374,663**	**354,218**	**1,400,285**	**1,225,945**	**1,202,694**
Raw materials and consumables	-260,844	-246,618	-977,814	-854,969	-872,761
Other external expenses	-25,544	-20,841	-92,856	-85,621	-81,992
Staff costs	-53,703	-49,746	-210,154	-181,005	-167,543
Depreciation of property, plant and equipment, and amortization of intangible assets	-2,214	-2,052	-8,540	-8,573	-8,429
Other operating expenses	-2,379	-	-45,345	-	-
Total operating expenses	**-344,684**	**-319,257**	**-1,334,709**	**-1,130,168**	**-1,130,725**
Operating profit	**29,979**	**34,961**	**65,576**	**95,777**	**71,969**
Net financial expense	**-4,388**	**-1,217**	**-5,624**	**-13,283**	**-4,760**
Profit before tax	**25,591**	**33,744**	**59,952**	**82,494**	**67,209**
Income tax	-4,530	-4,154	-19,591	-17,431	-12,414
Net profit for the period	**21,061**	**29,590**	**40,361**	**65,063**	**54,795**
Profit attributable to:					
Shareholders of the parent company	21,014	29,539	40,305	64,995	54,691
Non-controlling interests	47	51	56	68	104
Average number of ordinary shares*	12,214,170	12,055,170	12,156,330	12,055,170	11,884,540
Average number of preference shares*	2,912,620	2,912,620	2,912,620	2,912,620	2,912,620
Average total number of shares*	15,126,790	14,967,790	15,068,950	14,967,790	14,797,160
Earnings per share before dilution, SEK*	1.33	1.91	2.42	4.09	3.44
Earnings per share after dilution, SEK*	1.31	1.87	3.38	4.00	3.36

*Adjusted for split 10:1.

Consolidated statement of comprehensive income

	For the three-month period ended 31 March		Year ended 31 December		
	2018	2017	2017	2016	2015
(SEK, thousands)	*Unaudited*		*Audited*		
Net profit for the period	**21,061**	**29,590**	**40,361**	**65,063**	**54,795**
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign exchange differences	4,850	395	-5,888	13,586	-7,025
Other comprehensive income for the period	4,850	395	-5,888	13,586	-7,025
Total comprehensive income for the period	**25,911**	**29,985**	**34,473**	**78,649**	**47,770**
Attributable to:					
– Shareholders of the parent company	25,864	29,934	34,417	78,581	47,666
– Non-controlling interests	47	51	56	68	104
Total comprehensive income for the period	**25,911**	**29,985**	**34,473**	**78,649**	**47,770**

Consolidated balance sheet

	31 March		31 December		
	2018	2017	2017	2016	2015
(SEK, thousands)	*Unaudited*		*Audited*		
ASSETS					
Non-current assets					
Intangible assets					
Goodwill	129,966	132,583	129,385	133,330	129,933
Other intangible assets	6,903	13,065	8,085	12,871	17,469
Total intangible assets	**136,869**	**145,648**	**137,470**	**146,201**	**147,402**
Property, plant and equipment					
Expenses relating to improvements to third party's property (Improvements to third party's property)	1,812	1,054	1,855	1,097	722
Plant and equipment	4,948	5,288	4,920	6,612	3,111
Total property, plant and equipment	**6,760**	**6,342**	**6,775**	**7,709**	**3,833**
Financial assets					
Financial assets	1,102	467	1,003	463	334
Total financial assets	**1,102**	**467**	**1,003**	**463**	**334**
Deferred tax assets	746	1,796	750	1,858	3,402
Total non-current assets	**145,477**	**154,254**	**145,998**	**156,231**	**154,971**
Current assets					
Inventories					
Raw materials and consumables	83,088	55,871	97,455	89,223	85,594
Total inventories	**83,088**	**55,871**	**97,455**	**89,223**	**85,594**
Current receivables					
Trade receivables	305,337	262,031	254,347	231,118	194,036
Other current receivables	20,186	6,329	15,933	6,513	7,841
Prepaid expenses and accrued income	8,851	15,052	9,365	10,315	4,301
Cash and cash equivalents	27,745	39,667	31,206	39,856	30,776
Total current receivables	**362,119**	**323,079**	**310,851**	**287,802**	**236,954**
Total current assets	**445,207**	**378,951**	**408,306**	**377,025**	**322,548**
TOTAL ASSETS	**590,684**	**533,205**	**554,304**	**533,256**	**477,519**

Consolidated balance sheet, *cont.*

	31 March		31 December		
	2018	2017	2017	2016	2015
(SEK, thousands)	*Unaudited*		*Audited*		
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the parent company					
Share capital	1,541	1,505	1,513	1,497	1,497
Additional paid-in capital	119,540	116,474	117,588	115,323	115,322
Reserves	-2,493	-1,061	-7,343	-1,455	-15,041
Retained earnings	12,790	73,721	-5,512	44,181	-20,815
Non-controlling interests	184	197	137	146	179
Total equity	**131,562**	**190,833**	**106,383**	**159,692**	**81,143**
LIABILITIES					
Non-current liabilities					
Borrowings	73,319	69,808		78,445	106,712
Deferred tax	3,454	2,310	3,454	2,310	1,100
Total non-current liabilities	**76,773**	**72,118**	**3,454**	**80,755**	**107,812**
Current liabilities					
Other provisions	-	-	17,595	-	-
Current liabilities	107,574	51,133	165,064	49,335	84,060
Trade payables	199,511	165,020	192,893	174,445	149,113
Current tax liabilities	7,269	2,735	7,117	9,269	6,392
Other current liabilities	31,159	24,956	19,426	20,281	14,426
Accrued expenses and deferred income	36,836	26,409	42,372	39,479	34,573
Total current liabilities	**382,349**	**270,253**	**444,467**	**292,809**	**288,564**
Total liabilities	**459,122**	**342,371**	**447,922**	**373,563**	**396,376**
TOTAL EQUITY AND LIABILITIES	**590,684**	**533,205**	**554,304**	**533,256**	**477,519**

Consolidated statement of cash flows

	For the three-month period ended 31 March		Year ended 31 December		
	2018	2017	2017	2016	2015
(SEK, thousands)	*Unaudited*		*Audited*		
Cash flow from operating activities					
Profit before net financial income/expense	29,979	34,961	65,576	95,777	71,969
Adjustments for non-cash items	-4,549	3,349	-445	15,373	3,565
Provisions	-17,595	-	17,595	-	-
Interest received	51	102	816	67	104
Interest paid	-1,992	-1,330	-7,180	-7,552	-7,891
Income taxes paid	-10,653	-9,547	-18,637	-12,845	-11,881
Cash flow from operating activities before changes in working capital	**-4,759**	**27,535**	**57,725**	**90,820**	**55,866**
Change in inventories	14,367	33,352	-8,232	-3,629	-11,328
Change in current receivables	-40,648	-36,545	-32,550	-41,768	-20,122
Change in current operating liabilities	10,112	-17,819	20,464	36,093	14,989
Total changes in working capital	**-16,169**	**-21,012**	**-20,318**	**-9,304**	**-16,461**
Cash flow from operating activities	**-20,928**	**6,523**	**37,407**	**81,516**	**39,405**
Cash flow from investing activities					
Investments in property, plant and equipment	-538	-725	-3,467	-6,382	-2,199
Investments in intangible assets	-159	25	-728	-79	-580
Investments in subsidiaries	*	*	-	-	-19,842
Investments in financial assets	-92	-	-453	-98	
Cash flow from investing activities	**-789**	**-700**	**-4,648**	**-6,559**	**-22,621**
Cash flow from financing activities					
Issue of new shares	1,969	1,160	2,282	-	2,745
Changes in overdraft facility	26,524	337	26,363	-35,965	9,351
Borrowings	-	-	57,225	-	105,000
Transaction cost, loans	-	-	-572	-	-1,500
Repayment of loans	-10,317	-7,759	-35,795	-30,651	-20,912
Dividend	-	-	-90,062	-101	-100,066
Cash flow from financing activities	**18,176**	**-6,262**	**-40,559**	**-66,717**	**-5,382**
Decrease/increase in cash and cash equivalents					
Cash flow for the period	-3,541	-439	-7,800	8,240	11,402
Foreign exchange difference in cash and cash equivalents	90	250	-850	840	-575
Cash and cash equivalents at beginning of the period	31,206	39,856	39,856	30,776	19,949
Cash and cash equivalents at end of the period	**27,755**	**39,667**	**31,206**	**39,856**	**30,776**

*The item is not recognized in the interim report for the period 1 January to 31 March 2018.

Selected key performance indicators for NCAB

Some of the key performance measures presented below are so-called non-IFRS financial measures, i.e. financial measures that are not defined in accordance with IFRS, including certain measures such as EBITA. NCAB believes these non-IFRS financial measures provide a better understanding of the trends of the financial performance and that such measures, which are not calculated in accordance with IFRS, are useful information to investors combined with other measures that are calculated in accordance with IFRS. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These non-IFRS measures should not be considered isolated from or as a substitute to performance measures derived in accordance with IFRS. In addition, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies. For a description of the calculation of the non-IFRS financial measures and the reason for use, see the section "*Selected financial information – Financial definitions – Non-IFRS financial measures*".

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Order intake***	369.0	376.9	1,509.2	1,280.8	1,229.3
Gross margin, %**	30.4	30.4	30.2	30.4	27.5
Operating profit (EBIT)*	30.0	35.0	65.6	95.8	72.0
EBITA**	31.1	36.2	70.2	100.3	76.0
EBITA margin, %**	8.3	10.2	5.0	8.2	6.3
Adjusted EBITA**	33.5	36.2	113.7	100.3	76.0
Adjusted EBITA margin, %**	8.9	10.2	8.1	8.2	6.3
EBITDA**	32.2	37.0	74.1	104.3	80.4
EBITDA margin, %**	8.6	10.5	5.3	8.5	6.7
Adjusted EBITDA**	34.6	37.0	117.6	104.3	80.4
Adjusted EBITDA margin, %**	9.2	10.5	8.4	8.5	6.7
Equity/assets ratio, %**	22.3	35.8	19.2	29.9	17.0
Net debt**	153.1	81.2	133.9	87.9	160.0
Net debt/Adjusted EBITDA***, [1]	1.3	0.7	1.1	0.8	2.0
Net working capital**	142.7	120.2	115.3	93.6	87.3
Cash conversion, %**	51.2	41.4	79.2	84.9	76.1
Return on equity, %**	19.8	53.9	30.4	54.0	51.7
Number of employees***	365	315	354	307	280

* Audited IFRS measures derived from audited consolidated financial statements as of and for the financial years ended 31 December 2017, 2016 and 2015 as well as unaudited IFRS measures derived from the reviewed interim report for the period 1 January to 31 March 2018.

** Unaudited non-IFRS measures derived from, or calculated based on the information in, audited consolidated financial statements as of and for the financial years ended 31 December 2017, 2016 and 2015 as well as the reviewed interim report for the period 1 January to 31 March 2018.

*** Non-IFRS measures derived from NCAB's internal accounting or reporting system.

1) For the three-month period ended 31 March 2018 and 31 March 2017 Adjusted EBITDA has here been calculated Adjusted EBITDA LTM.

Reconciliation tables

The following tables provides a reconciliation of gross profit, gross margin, operating profit (EBIT), EBITA, EBITA margin, adjusted EBITA, adjusted EBITA margin, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, equity/assets ratio, net debt, net debt/ adjusted EBITDA, net working capital, cash conversion and return on equity for NCAB. For a description of the calculation of the non-IFRS financial measures and the reason for use, see the section "*Selected financial information – Financial definitions – Non-IFRS financial measures*".

Gross profit and gross margin

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Net sales	374.4	354.0	1,400.1	1,218.7	1,201.3
Other operating income	0.2	0.0	2.1	2.0	2.4
Raw materials and consumables	-260.8	-246.6	-977.8	-855.0	-872.8
Translation differences	0.1	0.2	-1.9	5.2	0.0
Total gross profit	**113.8**	**107.6**	**422.5**	**370.9**	**330.9**
Gross margin, %	30.4	30.4	30.2	30.4	27.5

EBITA and adjusted EBITA as well as EBIT and EBITA margin

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Operating profit	30.0	35.0	65.6	95.8	72.0
Amortization and impairment of intangible assets	1.1	1.2	4.6	4.6	4.0
EBITA	**31.1**	**36.2**	**70.2**	**100.3**	**76.0**
EBITA margin, %	8.3	10.2	5.0	8.2	6.3
Extraordinary items*	2.4	-	43.5	-	-
Adjusted EBITA	**33.5**	**36.2**	**113.7**	**100.3**	**76.0**
Adjusted EBITA margin, %	8.9	10.2	8.1	8.2	6.3

* Adjustment of SEK 2.4m for the three-month period ended 31 March 2018, refers to IPO preparation costs and final legal costs related to the settlement with the Russian tax authority. Adjustment of SEK 43.5m for 2017, of which SEK 11.6m relates to IPO preparation costs and SEK 31.9m relates to costs for the settlement with the Russian tax authority. No adjustments have been made for 2016 and 2015. See Note 11, in the section "*Historical financial information*", on page F-41 in this Offering Circular.

EBITDA and adjusted EBITDA as well as EBITDA margin and adjusted EBITDA margin

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Operating profit	30.0	35.0	65.6	95.8	72.0
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets	2.2	2.1	8.5	8.6	8.4
EBITDA	**32.2**	**37.0**	**74.1**	**104.3**	**80.4**
EBITDA margin, %	8.6	10.5	5.3	8.5	6.7
Extraordinary items*	2.4	-	43.5	-	-
Adjusted EBITDA	**34.6**	**37.0**	**117.6**	**104.3**	**80.4**
Adjusted EBITDA margin, %	9.2	10.5	8.4	8.5	6.7

* Adjustment of SEK 2.4m for the three-month period ended 31 March 2018, refers to IPO preparation costs and final legal costs related to the settlement with the Russian tax authority. Adjustment of SEK 43.5m for 2017, of which SEK 11.6m relates to IPO preparation costs and SEK 31.9m relates to costs for the settlement with the Russian tax authority. No adjustments have been made for 2016 and 2015. See Note 11, in the section "*Historical financial information*", on page F-41 in this Offering Circular.

Return on equity

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Net profit for the period*	31.9	76.7	40.4	65.1	54.8
Equity (average)	161.2	142.2	133.0	120.4	105.9
Return on equity, %	**19.8**	**53.9**	**30.4**	**54.0**	**51.7**

*For the three-month period ended 31 March 2018 and 31 March 2017 Net profit for the period has been calculated Net profit for the period LTM.

Equity/assets ratio

	31 March		31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Equity	131.6	190.8	106.4	159.7	81.1
Untaxed reserves	-	-	0	0	0
Total	**131.6**	**190.8**	**106.4**	**159.7**	**81.1**
Total assets	590.7	533.2	554.3	533.3	477.5
Equity/assets ratio, %	**22.3**	**35.8**	**19.2**	**29.9**	**17.0**

Net debt

	31 March		31 December		
(SEK millions)	**2018**	**2017**	**2017**	**2016**	**2015**
Interest-bearing liabilities	180.9	120.9	165.1[1]	127.8	190.8
Cash and cash equivalents	-27.7	-39.7	-31.2	-39.9	-30.8
Total net debt	**153.1**	**81.2**	**133.9**	**87.9**	**160.0**
Adjusted EBITDA*	115.2	111.7	117.6	104.3	80.4
Net debt/Adjusted EBITDA*	**1.3**	**0.7**	**1.1**	**0.8**	**2.0**

*For the three-month period ended 31 March 2018 and 31 March 2017 Adjusted EBITDA has been calculated Adjusted EBITDA LTM.

Net working capital

	31 March		31 December		
(SEK millions)	**2018**	**2017**	**2017**	**2016**	**2015**
Total inventories	83.1	55.9	97.5	89.2	85.6
Trade receivables	305.3	262.0	254.3	231.1	194.0
Other current receivables	20.2	6.3	15.9	6.5	7.8
Prepaid expenses and accrued income	8.9	15.1	9.4	10.3	4.3
Trade payables	-199.5	-165.0	-192.9	-174.4	-149.1
Current tax liabilities	-7.3	-2.7	-7.1	-9.3	-6.4
Other current liabilities	-31.2	-25.0	-19.4	-20.3	-14.4
Accrued expenses and deferred income	-36.8	-26.4	-42.4	-39.5	-34.6
Net working capital	**142.7**	**120.2**	**115.3**	**93.6**	**87.3**

Cash conversion

	For the three-month period ended 31 March		Year ended 31 December		
(SEK millions, unless otherwise is stated)	**2018**	**2017**	**2017**	**2016**	**2015**
Adjusted EBITDA	34.6	37.0	117.6	104.3	80.4
Investments in property, plant and equipment	-0.5	-0,7	-3.5	-6.4	-2.2
Investments in intangible assets	-0.2	0	-0.7	0.1	-0.6
Total changes in working capital	-16.2	-21.0	-20.3	-9.3	-16.5
Cash conversion, %	51.2	41.4	79.2	84.9	76.1

1) See the section "*Operating and financial overview – Borrowings*".

Quarterly revenue split, Quarterly adjusted EBITDA split

The following financial information is unaudited information derived from the Company's interim reports for the three-month period ended 31 March 2018, the three-month period ended 30 September 2017 and the three-month period ended 31 December 2017 as well as the Company's internal accounts.

All amounts in the tables below refer to SEK millions, unless otherwise stated.

	The Group		
Jan-Mar	**2017**	**2016**	**2015**
Net sales	354.0	311.2	286.1
Operating profit (EBIT)	35.0	25.9	24.8
Amortization and impairment	1.2	1.1	1.0
EBITA	36.2	27.0	25.8
EBITA margin, %	10.2	8.7	9.0
Adjustment	0.0	0.0	0.0
Adjusted EBITA	36.2	27.0	25.8
Adjusted EBITA margin, %	10.2	8.7	9.0
Depreciation	0.9	0.8	1.1
Adjusted EBITDA	37.0	27.8	26.9
Adjusted EBITDA margin, %	10.5	8.9	9.4

	The Group		
Apr-Jun	**2017**	**2016**	**2015**
Net sales	376.1	303.6	326.8
Operating profit (EBIT)	33.2	26.8	25.6
Amortization and impairment	1.0	1.1	1.0
EBITA	34.2	27.9	26.6
EBITA margin, %	9.1	9.2	8.1
Adjustment	0.0	0.0	0.0
Adjusted EBITA	34.2	27.9	26.6
Adjusted EBITA margin, %	9.1	9.2	8.1
Depreciation	1.1	0.9	1.1
Adjusted EBITDA	35.3	28.8	27.7
Adjusted EBITDA margin, %	9.4	9.5	8.5

	The Group		
Jul-Sep	**2017**	**2016**	**2015**
Net sales	342.7	294.0	302.2
Operating profit (EBIT)	0.1	21.6	19.1
Amortization and impairment	0.8	1.4	1.0
EBITA	0.9	23.0	20.1
EBITA margin, %	0.3	7.8	6.7
Adjustment[1]	30.0	0.0	0.0
Adjusted EBITA	30.9	23.0	20.1
Adjusted EBITA margin, %	9.0	7.8	6.7
Depreciation	1.3	0.8	1.1
Adjusted EBITDA	32.2	23.8	21.2
Adjusted EBITDA margin, %	9.4	8.1	7.0

	The Group		
Okt-Dec	**2017**	**2016**	**2015**
Net sales	327.3	309.9	285.2
Operating profit (EBIT)	-2.7	21.4	2.5
Amortization and impairment	1.6	1.0	1.0
EBITA	-1.1	22.4	3.5
EBITA margin, %	-0.3	7.2	1.2
Adjustment[2]	13.5	0.0	0.0
Adjusted EBITA	12.4	22.4	3.5
Adjusted EBITA margin, %	3.8	7.2	1.2
Depreciation	0.6	1.5	1.1
Adjusted EBITDA	13.0	23.9	4.6
Adjusted EBITDA margin, %	4.0	7.7	1.6

1) Adjustment of SEK 30m relates to costs for the settlement with the Russian tax authority.
2) Adjustment of SEK 13.5m relates to IPO preparation costs of SEK 11.6m as well as costs for the settlement with the Russian tax authority of SEK 1.9m.

Financial definitions

Non-IFRS financial measures	Description	Reason for use of the measure
Order intake	The value of orders received during the period.	Order intake is used by NCAB as a measure for the development of net sales.
Gross profit	Net sales less raw materials and consumables adjusted for translation differences on trade receivables and trade payables.	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in NCAB.
Gross margin, %	Gross profit divided by net sales.	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in NCAB.
EBIT	NCAB's reported operating profit.	EBIT shows profit generated by operating activities.
EBITA	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets.	EBITA provides an overall picture of operating earnings.
EBITA margin, %	EBITA in relation to net sales.	This measure is used for the analysis of value creation.
Adjusted EBITA	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items.	Adjusted EBITA is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for showing the Company's operating earnings.
Adjusted EBITA margin, %	Operating profit before amortization and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items, divided by net sales.	The adjusted EBITA margin is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for comparing the Company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth.
EBITDA	Operating profit before depreciation, amortization and impairment of property, plant and equipment, and intangible assets.	EBITDA along with EBITA provide an overall picture of operating earnings.
EBITDA margin, %	EBITDA in relation to net sales.	This measure is used for the analysis of value creation.
Adjusted EBITDA	Operating profit before depreciation, amortization and impairment of property, plant and equipment, and intangible assets adjusted for extraordinary items.	Adjusted EBITDA is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for showing the Company's operating earnings.
Adjusted EBITDA margin, %	Adjusted EBITDA in relation to net sales.	Adjusted EBITDA margin is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for showing the Company's operating earnings.
Equity/assets ratio, %	Equity and untaxed reserves net of deferred tax, divided by total assets.	NCAB considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	Net debt is a measure which shows the Company's total indebtedness.
Net debt/adjusted EBITDA	Net debt in relation to adjusted EBITDA.	Net debt/adjusted EBITDA is used to analyze NCAB's financial risk in relation to its indebtedness.
Net working capital	Current assets, excluding cash and cash equivalents less non-interest bearing current liabilities.	This measure shows how much working capital that is tied up in NCAB's operations and can be put in relation to revenues to understand how efficiently tied up working capital is used.
Cash conversion, %	Adjusted EBITDA, investments in property, plant and equipment, investments in intangible assets and total changes in working capital in relation to adjusted EBITDA.	Cash conversion is used by NCAB to understand how effectively net working capital is used.
Return on equity	Net profit/loss for the past 12 months divided by average equity.	Return on equity is used to analyze the Company's profitability, based on how much equity is used.
Compound annual growth rate (CAGR)	Compound Annual Growth Rate of operating revenue (operating profit) from 2008-2017 in percent ("CAGR for operating revenue 2008-2017, %"). CAGR is calculated as end value divided by start value to the power of one divided by the number of years in the time period minus one.	The performance measure is relevant given that it measures growth under the assumption of a consistent annual rate of growth and thus provides a balanced rate of growth over the specified period.

Operating and financial review

The information presented below should be read in conjunction with section "Selected financial information" and NCAB's audited consolidated financial statements in the section "Historical financial information". The information below contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of many different factors, including, but not limited to, those described in the section "Important information – Forward-looking information" and elsewhere in this Offering Circular, including those set forth in the section "Risk factors". The audited consolidated financial statements have been prepared in accordance with IFRS.

Overview

NCAB is an advanced PCB trader with local presence in 15 countries and sales in 45 countries globally. NCAB offers a broad range of PCBs which NCAB, after having recieved a customer order mainly sources from 18 preferred manufacturers, whereof 13 are located in China. In 2017 the Company had revenues of SEK 1,400.3m and an adjusted EBITDA of SEK 117.6m.

NCAB's financial profile has the following characteristics:

- *Profitable growth*. NCAB has historically been able to grow with maintained profitability. Revenues showed growth from SEK 374.0m in 2008 to SEK 1,400.3m in 2017, corresponding to a CAGR of 15.8 percent. At the same time, NCAB had positive and increasing operating and EBITDA-margins. The main part of growth has been organically generated, but NCAB has also made a number of acquisitions. In the table below RR means Swedish GAAP.

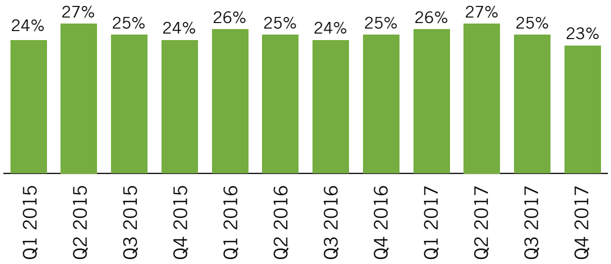
(SEK, millions)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Total operating revenue*	374.0	322.0	519.7	561.2	600.6	711.3	923.8	1,202.7	1,225.9	1,400.3
Depreciation of property, plant and equipment, and amortization of intangible assets*	-6.4	-6.1	-6.7	-6.9	-8.1	-2.7	-5.9	-8.4	-8.6	-8.5
Adjusted EBITDA**	20.9	20.0	25.6	28.2	28.5	36.9	70.9	80.4	104.3	117.6
Derived from consolidated financial statements and consolidated annual reports	2008	2009	2010	2011	2012	2015	2015	2017	2017	2017
Accounting standard	RR	RR	RR	RR	RR	IFRS	IFRS	IFRS	IFRS	IFRS

* The information for 2008, 2009, 2010, 2011 and 2012 are audited historical financial information derived from each years' consolidated annual report. The information for 2013 and 2014 are unaudited historical financial information derived from Note 34 to the 2015 consolidated annual report. The information for 2015, 2016 and 2017 are audited historical financial information derived from the historical financial information on page F-25-F-54 in this Offering Circular.

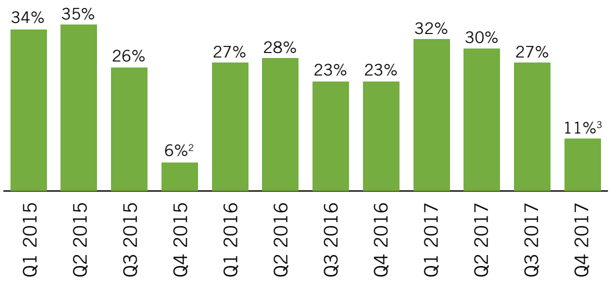
** Adjusted EBITDA is EBIT decreased by depreciation of property, plant and equipment, and amortization of intangible assets. Adjusted EBITDA is an unaudited non IFRS measure attributable to the Group's audited consolidated financial statements and audited consolidated annual reports. Adjustments have been made for extraordinary items relating to the expansion into the UK of SEK 49.1m in 2010 and SEK 3.2m in 2011, which have not been separately accounted for in the income statements, and have been adjusted for in the numbers above. An adjustment of SEK 43.5m has been made for 2017, see the section "*Selected financial information" – Reconciliation tables*".

- *Positive development of gross margin*. As an advanced trader, serving its customers as a full-service supplier, NCAB has been able to report positive development in its gross margins, increasing from 27.5 percent in 2015 to 30.2 percent in 2017.
- *A flexible cost structure*. NCAB's operating expenses other than raw materials and consumables represented 26.7 percent of its operating expenses during 2017. Such other operating expenses comprise staff costs (SEK 210.2m in 2017), other external expenses (such as rent for premises, travel expenses, external discounts, marketing and IT) (SEK 92.9m in 2017), depreciation of property, plant and equipment, and amortization of intangible assets (SEK 8.5m in 2017) and other operating expenses (SEK 45.3m in 2017) of which SEK 11.6m relates to IPO preparation costs and SEK 31.9m relates to costs for the settlement with the Russian tax authority. Both staff costs and, to a large extent, other external expenses are variable in the medium term. This gives NCAB a resilience to economic downturns as costs relatively quickly can be adapted to decreasing sales.
- *Limited seasonal variations*. As shown in the table below, NCAB's revenues and EBITDA are subject to seasonal variations, with the first quarter typically showing stronger revenues than the other three. This is a result of customers opting to receive deliveries in January rather than in December, which shifts revenues to the first quarter from the fourth. Lower activity among customers during the summer typically has an effect on the second and third quarter revenues.

Quarterly revenue split[1]
% of year total



Quarterly adjusted EBITDA split[1]
% of year total



1) Figures are unaudited and refer to NCAB's internal accounting or reporting system.
2) Accrual for bonuses during the year resulted in a cost catch up effect in December.
3) Adjusted for IPO preparation costs of SEK 11.6m.

Source: NCAB's internal accounting or reporting system.

- *Asset light business model with low capital expenditure requirements*. NCAB has low needs for capital expenditure, representing on average 0.9 percent of revenues during the period 2015-2017, most of which are related to investments in IT systems.
- *Low levels of net working capital*. As a result of NCAB's purchases being made after receiving an order from a customer, inventories are built up solely to facilitate on-time deliveries. Together with the payment terms in relation to customers and manufacturers matching each other and therefore largely evening out trade payables and trade receivables, the low inventory levels enables NCAB to maintain low levels of net working capital over time. Net working capital corresponded to 7.8 percent of operating revenue in average over the financial years 2017, 2016 and 2015.[1]
- *Well-positioned to partake in market consolidation*. The combination of NCAB being one of the largest advanced traders of PCBs globally, and its strong balance sheet, as evidenced by an equity/assets ratio of 19.2 percent in 2017 and net debt/adjusted EBITDA of 1.1 in 2017, makes NCAB well-positioned to take part of market consolidation relative to smaller and medium-sized PCB traders.

Factors affecting NCAB's operating profit and cash flow

The most important factors that affect NCAB's operating profit and its cash flows are NCAB's ability to continue its growth, maintain its gross margins, its operational efficiency, tax and interest rates and currency effects.

NCAB's ability to continue its growth

Historically, NCAB has grown both organically and through acquisitions. NCAB's strategy to grow revenues is to use profitability in segment Nordic to fund expansion of the business in its other segments and to expand geographically.

In the short term, organic growth has a negative impact on profitability as it includes recruitments and investments in the organization. While NCAB believes that each recruitment will show a positive effect on the income statement already in the medium term, margins would likely improve if the growth rate decreased. In the long term, size is important in relation to both customers, as it drives purchasing power, and in relation to manufacturers, as it means that NCAB aggregates a greater demand. As the larger Chinese manufacturers continue to grow both in terms of size and market share, the ability to aggregate more demand becomes increasingly important to maintain purchasing power and to remain an attractive business partner for the larger manufacturers. Further, size is of importance for NCAB's marketing activities since some existing and potential customers see size as an indicator also of stability and quality.

Organic growth

NCAB's organic growth is generated by increased sales to existing customers, expansion of the customer base by sales to new customers and expansions into new countries and geographic areas.

Sales to existing customers can be increased through increasing NCAB's share of wallet of PCBs and through growth in the customers' businesses. NCAB's customers' businesses on an aggregate basis grow with the general industrial production.

NCAB expands its customer base primarily by gaining market shares in segments Europe, U.S.A. and East and by expanding into new countries and geographical markets, both of which are fueled by recruitment. In connection with expansion, the Group invests in organic growth by recruiting new personnel. NCAB's average revenue per employee, excluding the parent company and its Chinese subsidiaries, during the period 2015-2017 amounted to SEK 7.5m. It is the Company's assessment that the costs associated with a new employee, excluding new employees in the parent company and its Chinese subsidiaries, is approximately SEK 1.2m per year. Further, the Company estimates that such an employee contributes to profitability after two to three years and that a recruitment reaches full profitability after three to four years. From 2007 through 2012, NCAB expanded into Germany, Poland, the UK and France by establishing new subsidiaries and offices greenfield.

Acquisitions

NCAB believes that it is well-positioned to partake in a future consolidation within the industry. Historically, the Group has grown through acquisitions, in addition to its organic growth. For example NCAB's expansion into the U.S. started in 2012 through the acquisition of P.D. Circuits Inc. and was further accelerated in 2014 through the acquisition of M-Wave International LLC. In Sweden, Ulf Andersson Elektronik AB was acquired in 2015 in order to broaden the customer base locally and to increase competence.

NCAB has worked actively with the integration of the acquired operations in order to realize administrative synergies and have also taken margin strengthening initiatives in these operations. Some of the acquired companies contribute significantly to the Group's geographical presence, which is deemed an important competitive advantage, and an important factor for growing revenues. The acquisitions have also grown the customer base and facilitated new relationships with manufacturers.

Gross margin

NCAB considers its position in the value chain to be relatively strong, in relation to both customers and suppliers. This has allowed NCAB to maintain a positive development of its gross margins.

1) Net working capital for 2017, 2016 and 2015 divided by operating income for 2017, 2016 and 2015, expressed as percent, i.e. (SEK 115.3m + SEK 93.6m + SEK 87.3m) / (SEK 1,400.3m + SEK 1,225.9m + SEK 1,202.7m) percent.

- *Purchase prices.* NCAB is working actively with decreasing its purchase prices both through selection of and negotiations with manufacturers and through improving its customers' product designs through its design support.
  NCAB strives to multi-source all PCB technologies, i.e. to have several different manufacturers in its network that can offer PCBs in each technology. The manufacturer for each order is selected based on price, technology and quality requirements as well as customer preferences. In order to receive the best possible purchase prices, a framework price list is negotiated annually with the manufacturers. In relation to larger projects and orders, separate prices are further negotiated.
  Before a customer order is placed with a manufacturer, NCAB's technicians can work with the customers to increase producibility of the PCB design in order to decrease production costs without compromising functionality.
- *Sales prices.* NCAB's customers can benefit from cost savings, which are often deemed significant, in relation to both direct purchase prices and decreased indirect costs. These cost savings are a result of NCAB's active work with the customer to improve the PCB design, its initiatives to reduce purchase prices and its work with the manufacturers to improve quality. As a result, NCAB can provide its customers with an attractive proposition, whilst maintaining a positive development of its gross margins. With regard to the above, NCAB considers that its position in relation to its customers is strong, which makes a high level of profitability possible, even when the counterpart is a large, professional purchaser.

Operational efficiency

NCAB's ability to maintain its operational efficiency is important for its operating results and its cash flow. The table below shows NCAB's adjusted EBITA margin, adjusted EBITA and cash conversion for the financial years 2017, 2016 and 2015.[2]

	2017	**2016**	**2015**
Adjusted EBITA margin, %	8.1	8.2	6.3
Adjusted EBITA, SEK millions	113.7	100.3	76.0
Cash conversion, %	79.2	84.9	76.1

NCAB's operational efficiency is reflected by its ability to maintain its low operating expenses, excluding raw materials and consumables, in relation to revenue, and by optimizing its levels of capital expenditure and net working capital.

EBITA margin

NCAB's costs relating to personnel, IT, offices, etc. in relation to total operating revenue was 21.6 percent in 2017, 21.7 percent in 2016 and 20.7 percent in 2015. NCAB strives to maintain an efficient cost structure in order to benefit from growth in revenues.

Capital expenditure and working capital

With limited needs for capital expenditure and low levels of net working capital, NCAB can ensure efficient usage of its capital. This is evidenced by the Group being able convert a large portion of its EBITA into cash flow, as shown by the cash conversion levels set forth in the table above.

Tax and interest rates

Tax rates for 2018 in each of the countries in which NCAB has local presence are shown in the table[3] below, together with any losses carried forward in the subsidiaries as of 31 December 2017. As of 31 December 2017 there are no deferred tax assets accounted for in the Group that are attributable to tax losses carried forward.

Country	**Tax rate**	**Losses carried forward 2017-12-31, SEK thousands**
Sweden	22.0 %	
Denmark	22.0 %	
Finland	20.0 %	
Estonia	0.0 %	
Norway	24.0 %	
Germany	30.0 %	15,620
Poland	19.0 %	
UK	19.0 %	
Spain	25.0 %	
France	33.0 %	9,369
Italy	28.0 %	4,242
The U.S.	21.0 %	3,768
Russia	20.0 %	
China	25.0 %	
Hong Kong	16.5 %	
Macedonia	10.0 %	

The efficient tax rate that the Group will pay depends on in which countries NCAB is able to grow.

In addition, the interest payable on NCAB's bank loans is dependent on the development of STIBOR. For more information on NCAB's bank loans, see the section "*Capitalization, indebtedness and other financial information.*"

Exchange rates

The table below shows the effect of foreign exchange differences on NCAB's income statement and the direct effects of foreign exchange differences on the balance sheet (i.e. excluding the effects arising through the impact of profit/loss on equity) for the financial years 2017, 2016 and 2015.

SEK, thousands	**2017**	**2016**	**2015**
Effects on the income statement			
Net other operating income	-	5,233	39
Other operating expenses	-1,841	-	-
Net financial income/expense	740	-5,797	3,026
Effects on the income statement	**-1,101**	**-564**	**3,065**
Translation differences in equity	**-5,888**	**13,586**	**-7,025**

USD is the dominant currency in the PCB market, and the prices of PCBs are denominated predominantly in USD. Approximately 85 percent of NCAB's sales are priced in USD, and approximately 75 percent are invoiced in USD. Further, approximately 95 percent of NCAB's purchases of products and freights are made in USD. Consequently, the exchange rate between USD and SEK has a significant impact on the Group's income statement. Sales amounted to USD 163,567 thousand in 2017, USD 142,799 thousand in 2016 and USD 142,791 thousand in 2015. In the first quarter of 2018 sales amounted to USD 46,187 thousand and in the first quarter of 2017 sales amounted to USD 39,624 thousand.

The exchange rate between CNY and USD has an impact on the prices for PCBs on the market, as China is the world's largest producer of PCBs. The raw materials and other commodities that are used in the production of PCBs are sourced in USD or in CNY as well as

2) See the section "*Selected financial information – Selected key performance indicators for NCAB*".
3) NCAB's internal reporting system.

Chinese labor costs and costs for production premises and purchases of manufacturing equipment have an impact on the market price for PCBs worldwide, and a stronger CNY implies an increased price for PCBs, all else equal.

NCAB's customers tend to focus more on price if the value of their local currency decreases compared to the USD and the CNY. NCAB's customers are located predominantly in Europe and the U.S., making EUR, USD, GBP and the Nordic currencies the most important currencies in this regard.

Also NCAB's balance sheet is affected by the exchange rate between USD and SEK. The effects on NCAB's equity and goodwill are shown in the statement of comprehensive income. These items may also be recognized in the income statement if an asset is divested or impaired.

NCAB's segments

Since 2017 NCAB report in four segments: Nordic, Europe, U.S.A. and East. Each segment's income statement comprises the sales generated by the subsidiaries included in the segment, the costs incurred in relation thereto and the other expenses that the subsidiaries within the segment has incurred. The information in this section, "*NCAB's segments*" is audited financial information derived from Note 6, page F-38-F-39, to the historical financial information in this Offering Circular.

Nordic

Segment Nordic comprises the Company's subsidiaries in Sweden, Norway, Denmark, Finland and Estonia. The PCBs are sourced from external suppliers, mainly in China. The main part of the PCBs is of the HMLV nature, i.e. specialized products in lower quantities. NCAB has a local presence with technicians and customer support to ensure that the customer receives support throughout the whole process.

Segment Nordic's net sales increased by 12.2 percent to SEK 368.2m in 2017, compared to SEK 328.3m in 2016, corresponding to 26.3 percent of the Group's total net sales in 2017 and 26.9 percent in 2016. The adjusted EBITA of the segment was SEK 47.2m in 2017, compared to SEK 47.9m in 2016, and the adjusted EBITA margin was 12.8 percent in 2017 and 14.6 percent in 2016.

Europe

Segment Europe comprises the Company's subsidiaries in the UK, Poland, France, Italy, Germany and Spain. The PCBs are sourced from external suppliers, mainly in China. The main part of the PCBs is of the HMLV nature. NCAB has a local presence with technicians and customer support to ensure that the customer receives support throughout the whole process.

Segment Europe's net sales increased by 16.2 percent to SEK 507.5m in 2017, compared to SEK 436.6m in 2016, corresponding to 36.2 percent of the Group's total net sales in 2017 and 35.8 percent in 2016. The adjusted EBITA of the segment was SEK 29.8m in 2017, compared to SEK 29.7m in 2016, and the adjusted EBITA margin was 5.9 percent in 2017 and 6.8 percent in 2016.

U.S.A.

Segment U.S.A. comprises the Company's subsidiaries in the U.S. The PCBs are sourced from external suppliers, mainly in China. The main part of the PCBs is of the HMLV nature. NCAB has a local presence with technicians and customer support to ensure that the customer receives support throughout the whole process.

Segment U.S.A's net sales increased by 4.0 percent to SEK 261.0m in 2017, compared to SEK 251.2m in 2016, corresponding to 18.6 percent of the Group's total net sales in 2017 and 20.6 percent in 2016. The adjusted EBITA of the segment was SEK 12.3m in 2017, compared to SEK 7.4m in 2016, and the adjusted EBITA margin was 4.7 percent in 2017 and 2.9 percent in 2016.

East

Segment East comprises the Company's subsidiaries in China, Russia and Macedonia. The PCBs are sourced from external suppliers, mainly in China. The main part of the PCBs is of the HMLV nature. NCAB has a local presence with technicians and customer support to ensure that the customer receives support throughout the whole process. Approximately 40 percent of the customers in segment East are local, while the remaining approximately 60 percent are Western companies with local production.

Segment East's net sales increased by 28.8 percent to SEK 262.8m in 2017, compared to SEK 204.0m in 2016, corresponding to 18.8 percent of the Group's total net sales in 2017 and 16.7 percent in 2016. The adjusted EBITA of the segment was SEK 27.8m in 2017, compared to SEK 19.4m in 2016, and the adjusted EBITA margin was 10.6 percent in 2017 and 9.5 percent in 2016.

Presentation of financial information

Operating revenue

Operating revenue comprises net sales and other operating income.

Net sales comprises NCAB's revenues, which are reported net of sales tax, volume discounts and allowances for returns of faulty products. NCAB uses its judgment for assessing and making provisions for returns of faulty products at the time of sale, and volume discounts are assessed on the basis of expected annual volumes. Revenue is recognized when NCAB has supplied a product to a customer.

Other operating income comprises operative exchange rate gains and losses between recognition of an income or cost and the payment thereof, and other income related to operations.

Operating expenses

Operating expenses comprise raw materials and consumables, other external expenses (such as rents for premises, travel expenses, external discounts, marketing and IT), staff costs and depreciation of property, plant and equipment, and amortization of intangible assets.

Raw materials and consumables primarily includes variable purchasing costs for goods which NCAB has sold, including any change in stock and change in obsolescence. Intake costs, freight, duty and packaging are also included in raw materials and consumables.

Supplier discounts and bonuses received are considered a reduction of the purchase price and thus deducted from variable cost of raw materials and consumables.

Operating profit and operating margin

Operating profit comprise operating revenue and operating expenses. Operating margin is operating profit in relation to operating revenue.

Net financial income/expense

Net financial income/expense comprises interest earned on cash and cash equivalents, interest expense on debt (including debt issuance costs), gains and losses due to foreign exchange differences on loans and on cash and cash equivalents, as well as changes due to the revaluation or re-measurement of derivatives and certain other financial income items.

Income tax

Income tax comprises current income tax and deferred income tax.

Net profit

Net profit comprises operating profit, net financial income/expense and income tax.

Comprehensive income

Comprehensive income comprises changes to the value of the items in NCAB's balance sheet as a result of foreign exchange differences.

Cash flow from operating activities
Cash flow from operating activities comprises the cash in- and outflows generated by NCAB's operations.

Cash flow from investing activities
Cash flow from operating activities comprises the cash in- and outflows generated by NCAB's investments in and divestments of property, plant and equipment, and intangible assets, including in connection to acquisitions and divestments of subsidiaries.

Cash flow from financing activities
Cash flow from financing activities comprises cash in- and outflows from financing activities, including payments to and from shareholders and lenders.

Comparison between periods

The three-month period ended 31 March 2018 compared to the three-month period ended 31 March 2017

Operating revenue
Net sales amounted to SEK 374.4m in the first quarter of 2018, an increase of 5.8 percent or SEK 20.4m, compared to SEK 354.0m in the first quarter of 2017. Underlying growth in USD terms was approximately 16 percent, as the weakening of the USD against SEK is estimated to have had a negative effect of approximately 10 percentage units on the reported growth rate. Excluding the adverse USD impact, the Company saw strong growth, especially in segment Europe and East. The underlying market was positive as for all segments and the order intake increased by 8.1 percent in USD terms. In SEK terms, the order intake decreased by 2.1 percent. The development of net sales differed on a segment level:

- In segment Nordic, net sales increased by 0.5 percent to SEK 96.1m in the first quarter of 2018, compared to SEK 95.6m for the first quarter of 2017. The weakening of the USD against SEK is expected to have reduced reported growth by approximately 11 percentage units. EBITA was SEK 16.0m in the first quarter of 2018, compared to SEK 15.0m in the first quarter of 2017 and the EBITA margin increased to 16.6 percent in the first quarter of 2018, compared to 15.7 percent in the first quarter of 2017, as a result of a higher gross margin.
- In segment Europe, net sales increased by 14.3 percent to SEK 150.2m in the first quarter of 2018, compared to SEK 131.4m in the first quarter of 2017. The weakening of the USD against SEK is expected to have reduced reported growth by approximately 10 percentage units. Growth was particularly strong in Germany and the UK. EBITA decreased to SEK 7.6m in the first quarter of 2018, compared to SEK 9.9m in the first quarter of 2017 and the EBITA margin fell to 5.1 percent in the first quarter of 2018, compared to 7.6 percent in the first quarter of 2017, primarily as a result of a large number of recruitments aimed at supporting future growth and the establishment of operations in Italy.
- In segment U.S.A., net sales decreased by 12.0 percent to SEK 57.3m in the first quarter of 2018, compared to SEK 65.1m in the first quarter of 2017. The weakening of the USD against SEK is expected to have reduced reported growth by approximately 9 percentage units. EBITA decreased to SEK 1.2m in the first quarter of 2018, compared to SEK 2.5m in the first quarter of 2017, and the EBITA margin was 2.0 percent in the first quarter of 2018, compared to 3.8 percent in the first quarter of 2017.

  NCAB established a presence in the U.S. through two acquisitions in 2012 and 2014. The companies have now been integrated following a partial reorientation of the businesses in 2016 and 2017 with the aim of promoting growth, partly through the opening of new offices. A new managing director for NCAB Group USA Inc. was appointed in August 2017.
- In segment East, net sales increased by 14.7 percent to SEK 71.0m in the first quarter of 2018, compared to SEK 61.9m in the first quarter of 2017. The weakening of the USD against SEK is expected to have reduced reported growth by approximately 11 percentage units. The Company saw particularly strong growth in China. Adjusted EBITA was SEK 10.4m in the first quarter of 2018, compared to SEK 8.6m in the first quarter of 2017, and the adjusted EBITA margin was 14.7 percent in the first quarter of 2018, compared to 13.8 percent in the first quarter of 2017.

NCAB's operating revenue increased by 5.8 percent or SEK 20.5m, to SEK 374.7m in the first quarter of 2018, from SEK 354.2m in the first quarter of 2017.

Operating expenses
Operating expenses amounted to SEK 344.7m, or 92.0 percent of operating revenue, in the first quarter of 2018 compared to SEK 319.2m, or 90.1 percent of operating revenue, in the first quarter of 2017.

Costs for raw materials and consumables, i.e. costs for purchasing PCBs and freight, increased with SEK 14.2m, SEK 260.8m in the first quarter of 2018 from SEK 246.6m in the first quarter of 2017. In relation to operating revenue, raw materials and consumables amounted to 69.6 in the first quarter of 2018, the same as for the previous year.

Other external expenses, such as costs for IT, marketing, business travel and premises, amounted to SEK 25.6m in the first quarter of 2018, an increase of 23.1 percent or SEK 4.8m, compared to SEK 20.8m in the first quarter of 2017. In relation to operating revenue, other external expenses amounted to 6.8 percent in the first quarter of 2018, an increase of 0.9 percentage units, compared to 5.9 percent in the first quarter of 2017.

Staff costs amounted to SEK 53.7m in the first quarter of 2018, an increase of 8.0 percent or SEK 4.0m compared to SEK 49.7m in the first quarter of 2017, as a result of new recruitments. In relation to operating revenue, staff costs amounted to 14.3 percent in the first quarter of 2018, an increase of 0.3 percentage units compared to 14.0 percent in the first quarter of 2017.

Depreciation of property, plant and equipment, and amortization of intangible assets, mainly relating to IT investments and customer stock, remained relatively unchanged during the period (SEK 2.2m in the first quarter of 2018 compared to SEK 2.1m in the first quarter of 2017). In relation to operating revenue, depreciation of property, plant and equipment, and amortization of intangible assets were 0.6 percent in the first quarter of 2018, the same as for the previous year.

Operating profit and operating margin
Adjusted EBITA[4] was SEK 33.5m in the first quarter of 2018, compared to SEK 36.2m in the first quarter of 2017 and the adjusted EBITA margin decreased to 8.9 percent, compared to 10.2 percent in the first quarter of 2017, as a result of currency effects and increased costs for new staff. The Company also experienced a delay in call-off orders in the first quarter of 2018, which NCAB's customers say is due to longer lead times and reduced availability of certain types of components at their end. EBITA was SEK 31.1m in the first quarter of 2018, compared to SEK 36.2m in the first quarter of 2017, after deduction of costs of SEK 1.5m related to IPO preparations and costs of SEK 0.9m related to the final legal costs in the Russian tax dispute. The operating profit decreased to SEK 30.0m in the first quarter of 2018, a decrease of 14.3 percent or SEK 5.0m compared to SEK 35.0m in the first quarter of 2017 and the operating margin declined to 8.0 percent from 9.9 percent during the period.

Net financial expense
Net financial expense was SEK -4.4m, in the first quarter of 2018, of which SEK -2.4m refers to negative foreign exchange differences, a

4) Adjusted for extraordinary items of SEK 2.4m in EBITA in the first quarter of 2018, related to IPO preparation costs and final legal costs in the settlement with the Russian tax authority.

decrease of SEK 3.2m, compared to the first quarter of 2017 where net financial expense amounted to SEK -1.2m.

Income tax
Income tax amounted to SEK 4.5m in the first quarter of 2018, an increase of SEK 0.3m, compared to SEK 4.2m in the first quarter of 2017. In relation to profit before tax, income tax amounted to 17.6 percent in the first quarter of 2018, an increase of 5.2 percentage units compared to 12.4 percent in the first quarter of 2017.

Net profit
Net profit amounted to SEK 21.1m in the first quarter of 2018, a decrease of 28.7 percent or SEK 8.5m, compared to SEK 29.6m in the first quarter of 2017.

Total comprehensive income
The total comprehensive income amounted to SEK 25.9m in the first quarter of 2018 compared to SEK 30.0m in the first quarter of 2017. The decrease of 13.7 percent or SEK 4.1m, is explained by a lower EBITA of SEK 5.1m of which SEK 1.5m is attributable to IPO preparation costs and SEK 0.9m to final legal costs in the Russian tax dispute.

Cash flow from operating activities
Cash flow from the operating activities amounted to SEK -20.9m in the first quarter of 2018, a decrease of SEK 27.4m compared to SEK 6.5m in the first quarter of 2017. The change compared to the first quarter of 2017 is attributable to the final payment in the Russian tax dispute, a temporary increase in past due trade receivables as a result of Easter falling at the end of the period, a decrease in EBITA, and IPO preparation costs. Working capital was built up by SEK 16.2m in the first quarter of 2018. The changes in working capital comprised decreased inventories (SEK 14.4m), increased current receivables (SEK 40.6m) and increased current operating liabilities (SEK 10.1m). In the first quarter of 2017, working capital was built up by SEK 21.0m. The changes in working capital comprised decreased inventories (SEK 33.4m), increased current receivables (SEK 36.5m) and decreased current operating liabilities (SEK 17.8m).

Cash flow from investing activities
Cash flow from investing activities amounted to SEK -0.8m in the first quarter of 2018, a decrease of SEK 0.1m compared to SEK -0.7m in the first quarter of 2017, and refers mainly to investments related to the establishment of a subsidiary in Italy as well as adaptations to existing offices.

Cash flow from financing activities
Cash flow from financing activities amounted to SEK 18.2m in the first quarter of 2018, an increase of SEK 24.5m compared to SEK -6.3m in the first quarter of 2017. In the first quarter of 2018 the cash outflows comprised repayment of bank loans (SEK 10.3m), while the cash inflows comprised the utilization of the overdraft facility (SEK 26.5m) and proceeds from a new issue (SEK 2.0m). In the first quarter of 2017 the cash outflows comprised repayment of bank loans (SEK 7.8m), while the cash inflows comprised proceeds from a new issue (SEK 1.2m) and the utilization of the overdraft facility (SEK 0.3m).

Comparison between the financial years ended 2017 and 2016
Operating revenue
Net sales amounted to SEK 1,400.0m in 2017, an increase of 14.9 percent or SEK 181.3m, compared to SEK 1,218.7m in 2016. The market and demand have generally been strong in 2017, especially on the markets in segment Nordic, Europe and East, which had a positive effect on net sales.

- In segment Nordic, NCAB has established itself in Estonia during the year. The growth has generally been strong in the segment.
- In segment Europe, NCAB has established itself in Italy during the year. The growth has been strong in the segment, especially in the UK and Germany.
- In segment U.S.A., the growth has been weaker than in the other segments, partly because of a large OEM customer choosing to buy its PCBs directly from a Chinese manufacturer.
- In segment East, primarily China, but also Russia, showed strong growth. The growth in China is driven by sales to European customers established in China.

Together with a decrease in other operating income of SEK 7.0m to SEK 0.2m in 2017, from SEK 7.2m in 2016, mainly as a result of lower operating exchange rate gains and losses in 2017 compared to 2016, this caused an increase in NCAB's operating revenue of SEK 174.3m, to SEK 1,400.3m in 2017 from SEK 1,225.9m in 2016.

Operating expenses
Operating expenses amounted to SEK 1,334.7m, or 95.3 percent of operating revenue, in 2017, of which SEK 43.5m are non-recurring costs, compared to SEK 1,130.2m, or 92.2 percent of operating revenue, in 2016.

Costs for raw materials and consumables, i.e. costs for purchasing PCBs and freight, increased with SEK 122.8m, to SEK 977.8m in 2017 from SEK 855.0m in 2016. In relation to operating revenue, raw materials and consumables amounted to 69.8 percent in 2017, an increase of 0.1 percentage units compared to 69.7 percent in 2016.

Other external expenses, such as costs for IT, marketing, business travel and premises, amounted to SEK 92.9m in 2017, an increase of 8.5 percent or SEK 7.2m, compared to SEK 85.6m in 2016. In relation to operating revenue, other external expenses amounted to 6.6 percent in 2017, a decrease of 0.4 percentage units compared to 7.0 percent in 2016.

Staff costs amounted to SEK 210.2m in 2017, an increase of 16.1 percent or SEK 29.1m compared to SEK 181.0m in 2016, as a result of 47 new employees, showing that the expansion started in 2016 continued in 2017. In relation to operating revenue, staff costs amounted to 15.0 percent in 2017, an increase of 0.2 percentage units compared to 14.8 percent in 2016.

Depreciation of property, plant and equipment, and capitalized development costs, mainly relating to IT investments and customer stock, increased slightly during the period (SEK 4.0m in 2017 compared to SEK 3.9m in 2016). Amortization of other intangible assets amounted to SEK 4.6m in 2017 and SEK 4.7m in 2016. In relation to operating revenue, depreciation of property, plant and equipment, and amortization of intangible assets amounted to 0.6 percent in 2017 and 0.7 percent 2016.

Other operating expenses amounted to SEK 45.3m in 2017 (SEK 0m in 2016) and refers to non-recurring costs, of which SEK 11.6m relates to IPO preparation costs, SEK 31.9m relates to costs for the settlement with the Russian tax authority and SEK 1.8m relates to operating foreign exchange losses.

Operating profit and operating margin
Operating profit amounted to SEK 65.6m in 2017, a decrease of 31.5 percent or SEK 30.2m, compared to SEK 95.8m in 2016, and the operating margin deteriorated to 4.7 percent from 7.9 percent during the period. The decline in operating margin is mainly explained by non-recurring costs of SEK 43.5m in 2017, of which SEK 11.6m relates to IPO preparation costs and SEK 31.9m relates to costs for the settlement with the Russian tax authority. Adjusted for this, the operating margin was 7.9 percent, i.e. unchanged from 2016.

Net financial expense
Net financial expense amounted to SEK -5.6m in 2017, a decrease of SEK 7.7m, compared to SEK -13.3m in 2016. The difference was mainly attributable to foreign exchange differences from financing measures.

Income tax

Income tax amounted to SEK 19.6m in 2017, an increase of SEK 2.2m, compared to SEK 17.4m in 2016. In relation to profit before tax, income tax amounted to 32.7 percent in 2017, an increase of 11.6 percentage units compared to 21.1 percent in 2016. The increased efficient tax rate was a result of the Group not being able to benefit from as much tax losses carried forward during 2017 as in 2016, in particular in the UK where the last tax losses carried forward were used in 2016.

Net profit

Net profit amounted to SEK 40.4m in 2017, a decrease of 38.0 percent or SEK 24.7m, compared to SEK 65.1m in 2016.

Total comprehensive income

The total comprehensive income amounted to SEK 34.5m in 2017 compared to SEK 78.6m in 2016. The decrease of 56.2 percent or SEK 44.2m, is explained by the lower net profit and foreign exchange differences affecting NCAB's equity.

Comparison between the financial years ended 2016 and 2015

Operating revenue

Net sales amounted to SEK 1,218.7m in 2016, an increase of 1.5 percent, or SEK 18.4m, compared to SEK 1,200.3m in 2015. Compared to 2015, net sales decreased slightly during the first half of 2016, but picked up and developed positively during the second half-year. Increasing sales volumes were offset by decreasing market prices for PCBs, which were caused partly by a strengthening of the USD compared to the CNY and partly by large investments in production capacity in China leading to temporary overcapacity. The development of net sales differed on a segment level:

- In segment Nordic net sales in Sweden and Norway were weak during the first half of 2016 compared to 2015, as a result of lower activity amongst the Swedish customers and a decline in the Norwegian off-shore industry. The second half-year was stronger with a positive development of net sales.
- In segment Europe, net sales increased compared to 2015. The increase was driven by an increase in sales to both new and existing customers in France, and stable growth in the UK. To some extent this was offset by a flat development of sales in Germany as a result of margin strengthening initiatives, which caused the German subsidiary to turn down large orders with low margin during 2016. The Polish business developed positively, but net sales decreased as its largest customer lost the business of their largest end-customer. Development in Spain was flat.
- In segment U.S.A., net sales decreased in 2016 compared to 2015. The decrease was a result of a flat development in combination with a large OEM customer choosing to purchase its PCBs directly from a Chinese manufacturer.
- In segment East, net sales increased compared to 2015. The increase was driven by positive development in China with increasing sales in particular to the Chinese manufacturing units of companies that are already customers of NCAB's other segments, and by positive development in Russia during the second half-year. This was partly offset by weak sales in Russia during the first half of 2016.

Together with an increase in other operating income of SEK 4.8m to SEK 7.2m in 2016 from SEK 2.4m in 2015, mainly as a result of lower operative exchange rate losses in 2016 compared to 2015, this caused an increase in NCAB's operating revenue of 1.9 percent or SEK 23.3m, to SEK 1,225.9m in 2016 from SEK 1,202.7m in 2015.

Operating expenses

Operating expenses amounted to SEK 1,130.2m, or 92.2 percent of operating revenue in 2016, compared to SEK 1,130.7m, or 94.0 percent of operating revenue, in 2015.

Costs for raw materials and consumables, i.e. costs for purchasing PCBs and freight, decreased with SEK 17.8m, SEK 855.0m in 2016 to SEK 872.8m in 2015. In relation to operating revenue, raw materials and consumables amounted to 69.7 percent in 2016, a decrease of 2.9 percentage units compared to 72.6 percent in 2015, as a result of lower market prices for PCBs in combination with effects of NCAB's margin strengthening initiatives.

Other external expenses, such as costs for IT, marketing, business travel and premises, amounted to SEK 85.6m in 2016, an increase of 4.4 percent or SEK 3.6m, compared to SEK 82.0m in 2015. In relation to operating revenue, other external expenses amounted to 7.0 percent in 2016, an increase of 0.2 percentage units compared to 6.8 percent in 2015.

Staff costs amounted to SEK 181.0m in 2016, an increase of 8.1 percent or SEK 13.5m compared to SEK 167.5m in 2015, as a result of 27 new employees. In relation to operating revenue, staff costs amounted to 14.8 percent in 2016, an increase of 0.9 percentage units compared to 13.9 percent in 2015.

Depreciation of property, plant and equipment, and capitalized development costs, mainly relating to IT investments and customer stock, remained relatively unchanged during the period (SEK 3.9m in 2016 compared to SEK 4.0m in 2015). Amortization of other intangible assets amounted to SEK 4.7m in 2016 and SEK 4.0m in 2015. In relation to operating revenue, depreciation of property, plant and equipment, and amortization of intangible assets were 0.7 percent in both 2016 and 2015.

Operating profit and operating margin

Operating profit amounted to SEK 95.8m in 2016, an increase of 33.1 percent or SEK 23.8m, compared to SEK 72.0m in 2015, and the operating margin improved to 7.9 percent from 6.0 percent during the period.

Net financial expense

Net financial expense amounted to SEK -13.3m in 2016, a decrease of SEK 8.5m, compared to SEK -4.8m in 2015, the difference being mainly attributable to foreign exchange differences.

Income tax

Income tax amounted to SEK 17.4m in 2016, an increase of SEK 5.0m, compared to SEK 12.4m in 2015. In relation to profit before tax, income tax amounted to 21.1 percent in 2016, an increase of 2.6 percentage units compared to 18.5 percent in 2015. The increased efficient tax rate was a result of the Group not being able to benefit from as much tax losses carried forward during 2016 as in 2015.

Net profit

Net profit amounted to SEK 65.1m in 2016, an increase of 18.7 percent or SEK 10.3m, compared to SEK 54.8m in 2015.

Total comprehensive income

The total comprehensive income amounted to SEK 78.6m in 2016 compared to SEK 47.8m in 2015. The increase of 64.6 percent or SEK 30.9m, is explained by foreign exchange differences affecting NCAB's equity.

Comparison of cash flows between the financial years 2017, 2016 and 2015

Cash flow from operating activities

Cash flow from the operating activities amounted to SEK 37.4m in 2017, a decrease of SEK 44.1m compared to SEK 81.5m in 2016. Cash flow from the operating activities was charged with payments of SEK 14.3m relating to the tax dispute in Russia and SEK 6.0m relating to IPO preparation costs. Working capital was built up by SEK 20.3m, mainly caused by an expanding business. The changes in working capital comprised increased inventories (SEK 8.2m), increased current receivables (SEK 32.6m) and increased current operating liabilities (SEK 20.5m).

Cash flow from operating activities amounted to SEK 81.5m in 2016, an increase of SEK 42.1m compared to SEK 39.4m in 2015. To a large extent the increase was driven by increases in EBITDA. To some extent this was balanced by a build-up of working capital of SEK 9.3m, mainly caused by an expanding business during the second half-year of 2016. The changes in working capital comprised increased inventories (SEK 3.6m), increased current receivables (SEK 41.8m) and increased current operating liabilities (SEK 36.1m).

Cash flow from investing activities

Cash flow from investing activities amounted to SEK -4.6m in 2017, an increase of SEK 2.0m compared to SEK -6.6m in 2016. The difference is primarily explained by decreasing investments in property, plant and equipment.

Cash flow from investing activities amounted to SEK -6.6m in 2016, an increase of SEK 16.0m compared to SEK -22.6m in 2015. The difference is primarily explained by cash outflows relating to the acquisition of Ulf Andersson Elektronik AB and M-Wave International LLC. of SEK 19.8m in 2015. Increasing investments in intangible assets and property, plant and equipment caused cash outflows of SEK 6.5m in 2016 compared to SEK 2.8m in 2015.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK -40.6m in 2017, an increase of SEK 26.1m compared to SEK -66.7m in 2016. In 2017 the cash outflows comprised primarily of repayment of bank loans (SEK 35.8m) and dividends (SEK 90.1m), while the cash inflows comprised primarily of the utilization of the overdraft facility (SEK 26.4m) and newly obtained bank loans (SEK 57.2m).

Cash flow from financing activities amounted to SEK -66.7m in 2016, a decrease of SEK 61.3m compared to SEK -5.4m in 2015. In 2016 the cash outflows comprised primarily of a repayment under the overdraft facility (SEK 36.0m) and repayment of bank loans (SEK 30.7m), with no cash inflows from financing activities. In 2015 the cash outflows, comprising a SEK 20.9m repayment of bank loans, dividend payments of SEK 100.1m and loan transaction costs of SEK 1.5m, balanced fairly even with the cash inflows from a new bank loan of SEK 105.0m, increased utilization of the overdraft facility with SEK 9.4m and the payment of SEK 2.7m as subscription price for new shares issued as a result of the exercise of warrants.

Working capital

It is the Company's opinion that the Company's working capital is sufficient for the Company's requirements for at least the 12 months following the date of the Offering Circular. Working capital in this regard is considered as the Company's ability to access cash and cash equivalents in order to meet its liabilities as they fall due.

Investments

Investments in property, plant and equipment amounted to SEK 3.5m in 2017, SEK 6.4m in 2016 and SEK 2.2m in 2015. The investments comprised mainly of refurbishment of offices and laboratories in 2017, in IT systems and refurbishment of offices in 2016 and refurbishment of offices in 2015.

NCAB has no ongoing investments, and no decisions regarding future investments have been made.

During the period comprising the financial years 2017, 2016 and 2015, investments in property, plant and equipment amounted to 0.3 percent of operating revenue.

Property, plant and equipment

The net book value of NCAB's property, plant and equipment amounted to SEK 6.8m as of 31 December 2017, comprising expenses relating to improvements to third party's property, i.e. capitalized costs for refurbishment of offices, of SEK 1.9m and plant and equipment, i.e. computer hardware, office furniture and laboratory equipment, of SEK 4.9m. Most property, plant and equipment are depreciated over five years.

Intangible assets

The net book value of NCAB's intangible assets amounted to SEK 137.5m as of 31 December 2017, comprising goodwill of SEK 129.4m, other intangible assets, for example customer stocks of acquired companies, capitalized costs for IT systems and capitalized development costs of SEK 8.1m.

Borrowings

Due to the provisions for unforeseen costs in the tax dispute in Russia (which has subsequently been settled at a cost of SEK 31.9m), the Company was unable to meet the covenant relating to equity/assets ratio in its loan agreement with Nordea as of the closing date. The other loan covenants were met during the period. In accordance with IFRS, all bank loans have therefore been classified as current liabilities as of the closing date. After the end of the reporting period the Company has received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first and second quarters of 2018. As of the first quarter of 2018 the bank loans will therefore again be accounted for as non-current liabilities.

Sensitivity analysis

Exchange rates

The effect on NCAB's net profit from a 10 percent change in USD and EUR, respectively, in relation to SEK, is set forth in the table below:

(SEK, thousands)	**2017**
USD - 10 %	-5,416
EUR - 10 %	2,009

Significant changes to NCAB's financial condition and operating results during the period from 1 January 2015 to 31 March 2018

Net sales increased by SEK 181.3m in 2017, from SEK 1,218.7m to SEK 1,400.0m. The gross margin was 30.2 percent (compared to 30.4 percent in 2016) while the operating profit decreased to SEK 65.6m (compared to SEK 95.8m in 2016). Earnings include IPO preparation costs of SEK 11.6m as well as settlement costs, including legal costs, of SEK 31.9m related to a tax dispute with the Russian tax authority.

Due to the provisions for unforeseen costs in the tax dispute in Russia, the Company was unable to meet the covenant relating to equity/assets ratio in its loan agreement with the bank as at the closing date. The other loan covenants were met during the period. In accordance with IFRS, all bank loans have therefore been classified as current liabilities as at the closing date. After the end of the reporting period the Company has received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first and second quarters of 2018. As of the first quarter of 2018 the bank loans will therefore again be accounted for as non-current liabilities.

Future forecasts

As a listed company, NCAB does not intend to provide the market with any economic or financial forecasts. NCAB's financial targets are described in the section "*Business overview – Financial targets*".

Critical accounting policies

For a more detailed description of critical accounting policies, see Note 2, page F-31-F-35 in the section "*Historical financial information*".

Capitalization, indebtedness and other financial information

The tables in this section describe NCAB's capitalization and indebtedness at group level as at 31 March 2018. All information in the tables below comprise unaudited financial information. See the section "Share capital and ownership" for further information about the Company's share capital and shares. The tables in this section should be read in conjunction with section "Operating and financial review" and the Company's financial statements, including the related notes, which may be found elsewhere in this Offering Circular.

Capitalization and indebtedness

(SEK, millions)	**31 March 2018**
Current debt	
- Guaranteed	0.0
- Secured*	110.5
- Unguaranteed/unsecured	271.5
Total current debt	**382.0**
Non-current debt	
- Guaranteed	0.0
- Secured*	73.3
- Unguaranteed/unsecured	3.5
Total non-current debt	**76.8**
Shareholders' equity	
a. Share capital	1.5
b. Legal reserve	0.0
c. Other reserves	130.1
Total shareholders' equity	**131.6**
Total capitalization and indebtedness	**590.7**

* The security consists of shares in subsidaries.

Net indebtedness

(SEK, millions)	**31 March 2018**
A. Cash	0.0
B. Cash equivalents (bank deposits)	27.7
C. Trading securities	0.0
D. Liquidity (A)+(B)+(C)	**27.7**
E. Current Financial Receivable*	**325.5**
F. Current bank debt	110.5
G. Current portion of non-current debt	0.0
H. Other current financial debt	271.5
I. Current Financial Debt (F)+(G)+(H)	**382.1**
J. Net Current Financial Indebtedness (I)-(E)-(D)	**28.9**
K. Non-current bank loans	73.3
L. Bonds issued	0.0
M. Other non-current loans	3.5
N. Non-current Financial Indebtedness (K)+(L)+(M)	**76.8**
O. Net Financial Indebtedness (J)+(N)	**105.7**

* Refers to trade receivables and other current receivables

Indirect and contingent indebtedness

The Company has no indirect or contingent indebtedness.

Capital structure in connection with the listing

Bank debt

The Company has entered into four financing agreements ("the financing agreements") with Nordea as lender: (i) a long term interest-only loan agreement of SEK 50m with maturity 2023-06-30; (ii) a long term loan agreement of SEK 50m to be amortized with SEK 2.5m on a quarterly basis until the final maturity date 2023-06-30; (iii) an overdraft facility of SEK 100m with maturity 2018-12-31, which is automatically extended for 12 months at a time if Nordea does not terminate this agreement with one month's notice; and (iv) an overdraft facility of USD 1.5m.

Also, the Company has entered into an agreement on special terms with Nordea, whereby the company: (i) makes certain commitments towards Nordea, inter alia that NCAB's net debt in relation to EBITDA before extraordinary items and cash flow in relation to financial costs should exceed certain levels; and (ii) is subject to certain restrictions primarily relating to the lodging of security with parties other than Nordea, arrangement of new loans above a certain level and divestments or acquisitions of assets and other customary credit terms and conditions.

Financial risk management

For a more detailed description of financial risk management, see Note 3, page F-35-F-37 in the section "*Historical financial information*".

Currency risk

For a more detailed description of currency risk, see Note 3, paragraph (a) (i), page F-35 in the section "*Historical financial information*".

Interest rate risk

For a more detailed description of interest rate risk, see Note 3, paragraph (a) (ii), page F-35-F-36 in the section "*Historical financial information*".

Credit and counterparty risk

For a more detailed description of credit and counterparty risk, see Note 3, paragraph (b), page F-36 in the section "*Historical financial information*".

Liquidity risk

For a more detailed description of liquidity risk, see Note 3, paragraph (c), page F-36 in the section "*Historical financial information*".

Board of directors, executive management and auditors

Board of directors

According to the Company's articles of association, the board of directors shall consist of a minimum of three members and a maximum of ten members appointed by the general meeting, without deputy members. The Company's board of directors currently consists of seven members appointed by the general meeting for the period until the end of the annual general meeting to be held in 2019.

The board of directors of NCAB Group AB (publ)

			Independent of	
Name	**Position**	**Appointed**	**R12**	**The Company**
Christian Salamon	Member, Chairman	2007	Yes	Yes
Hans Ramel	Member	2007	No	Yes
Hans Ståhl	Member	2007	Yes	No
Per Hesselmark	Member	2016	No	Yes
Jan-Olof Dahlén	Member	2007	Yes	Yes
Magdalena Persson	Member	2017	Yes	Yes
Gunilla Rudebjer	Member	2017	Yes	Yes

Christian Salamon *(born 1961)*
Christian Salamon has been the chairman of the board of directors of NCAB Group AB (publ) since 2007.

Christian Salamon is also the chairman of the board of directors of OSM Holding AB. Christian Salamon is also a member of the boards of directors of Oriflame Holding AG, Gogoy AB, Lamiflex Group AB, Oresa Ventures S.A. and the Sweden-America Foundation.

Christian Salamon holds a M.Sc. in Engineering Physics from the KTH Royal Institute of Technology, Stockholm and an MBA from Harvard Business School, Boston.

Hans Ramel *(born 1964)*
Hans Ramel has been a member of the board of directors of NCAB Group AB (publ) since 2007.

Hans Ramel is also the chairman of the boards of directors of Truchot Trading AB, Stichting af Jochnick Foundation AB, Under Construction Sweden AB, R12 Kapital AB, R12 Kapital SPVI AB, R12 Boats Holding AB, NG Beta Holding AB and NG Alpha Holding AB. Hans Ramel is also a member of the boards of directors of Twilfit AB, Aditro Holding AB, OSM Group AB, Truchot Direct Investments AB, MEWAB Holding AB, Capio AB (publ), OSM Holding AB, Kjellander & Ramel AB, Aditro Group AB, NG Invest Beta AB, NG Invest Alpha AB and Hans Ramel AB, as well as deputy member of the boards of directors of Aktiebolaget Truchot i Stockholm, Truchot Invest AB, Anna Ramel AB, and MarineTrading i Stockholm AB.

In the past five years, Hans Ramel has been, but is no longer, the chairman of the boards of directors of R12 Kapital SPVII AB, NG Invest Beta AB and NG Invest Alpha AB as well as a member of the boards of directors of MEWAB AB, MEWAB Krossnings AB, OSM Customized Product Solutions AB, CL Intressenter AB, GMC Retail Solutions AB, SC Shared Services AB, Dicota Holding AB, Dicota Far East Ltd and Subra International Ltd. Hans Ramel has also been a deputy member of the boards of directors of Add One AB and GMC Retail Solutions AB.

Hans Ramel holds a M.Sc. in Business and Economics from the Stockholm School of Economics.

Hans Ståhl *(born 1955)*
Hans Ståhl has been a member of the board of directors and the CEO of NCAB Group AB (publ) since 2007. He has been a member of the Group's executive management since 2004. For further information, see the section "*Board of directors, executive management and auditors – Executive management – Hans Ståhl*" below.

Per Hesselmark *(born 1971)*
Per Hesselmark has been a member of the board of directors of NCAB Group AB (publ) from 2007-2010 and is a member of the board of directors again since 2016.

Per Hesselmark is also the chairman of the boards of directors of Aktiebolaget Roten, Ortic 3D AB, Truchot Direct Investments AB, MEWAB Holding AB and Nimbus Boats Sweden AB, as well as a member of the boards of directors of MEWAB AB, Aktiebolaget Truchot i Stockholm, MEWAB Krossnings AB, Svensk Hypotekspension AB, Truchot Invest AB, Aditro Holding AB, OSM Group AB, OSM Holding AB, R12 Kapital AB, Per Hesselmark AB, R12 Kapital SPVI AB, Strandbygget AB, R12 Boats Holding AB, Mariestad Björsäter 43:3 AB, Göteborg Älvsborg 855:306 AB, Aditro Group AB, Wemore AB, MarineTrading i Stockholm AB, NG Beta Holding AB, NG Alpha Holding AB, NG Invest Beta AB, NG Invest Alpha AB, af Jochnick B.V. and Trygg Foundation. Per Hesselmark is also a member of the board of directors and the CEO of Truchot Trading AB, and a deputy member of the board of directors of Per Hesselmark i Nacka 2 AB.

In the past five years, Per Hesselmark has been, but is no longer, the chairman of the boards of directors of Nimax Marina Aktiebolag, CL Intressenter AB, SC Shared Service AB and Nimbus Boats Långedrag AB, as well as a member of the boards of directors of OSM Customized Product Solutions AB, GMC Retail Solutions AB, R12 Kapital SPVII AB, Add One AB and Stichting af Jochnick Foundation AB. Per Hesselmark has also been a deputy member of the boards of directors of Jurex AB and Dicota Holding AB.

Per Hesselmark holds a M.Sc. in Business and Economics from the Stockholm School of Economics.

Jan-Olof Dahlén *(born 1942)*
Jan-Olof Dahlén has been a member of the board of directors of NCAB Group AB (publ) since 2007.

Jan-Olof Dahlén is also the chairman of the boards of directors of Millistream Market Data AB and Magic Formula Sweden AB.

In the past five years, Jan-Olof Dahlén has been, but is no longer, the chairman of the board of directors of Brand Factory Group AB.

Jan-Olof Dahlén holds a M.Sc. in Engineering and a M.Sc. in Business and Economics and has studied at Chalmers University of Technology in Gothenburg and Gothenburg School of Business, Economics and Law.

Magdalena Persson *(born 1971)*
Magdalena Persson has been a member of the board of directors of NCAB Group AB (publ) since 2017.

Magdalena Persson is also the chairman of the board of directors of Candidator AB as well as a member of the board of directors of Intrum Justitia AB and owner of and a member of the board of directors of Myrtel Management AB.

In the past five years, Magdalena Persson has been, but is no longer, the chairman of the board of directors of Affecto Plc, and a member of the board of directors of Fortnox Aktiebolag and Aditro Group AB. Furthermore, Magdalena Persson has been an external CEO of Interflora Aktiebolag.

Magdalena Persson holds a M.Sc. in Business Administration and a Licentiate of Economics and Management from Linköping University.

Gunilla Rudebjer *(born 1959)*
Gunilla Rudebjer has been a member of the board of directors of NCAB Group AB (publ) since 2017.

Gunilla Rudebjer is also a member of the boards of directors of Ambea AB (publ), Capio AB (publ), Oriflame Holding AG and OptiGroup AB as well as owner of Blomqvist & Rudebjer Handelsbolag.

In the past five years, Gunilla Rudebjer has been, but is no longer, a member of the boards of directors of Scandic Hotels Aktiebolag, Hotell Skogshöjd Aktiebolag, Rica Hotels AB, Scandic Hotels Europe AB and HTL Hotels AB. Furthermore Gunilla Rudebjer has been a member of the boards of directors of several foreign subsidiaries to Scandic Hotels Aktiebolag and Scandic Hotels Holding AB.

Gunilla Rudebjer holds a M.Sc. in Business and Economics from the Stockholm School of Economics.

Executive management

The table below lists the names, positions, years of birth and years of employment of the members of NCAB's executive management.

Name	Position	Year of birth	Position held since
Hans Ståhl	CEO	1955	2004
Anders Forsén	CFO	1962	2008
Anna Lothsson	Sustainability Manager	1977	2013
Chris Nuttall	COO	1973	2009
Eva Holm	Global HR Manager	1962	2015
Magnus Jakobsson	IT Manager	1975	2005
Michael Larsson	Vice President Sales	1968	2017
Gunilla Öhman	IR Manager	1959	2018
Martin Magnusson	Managing director of NCAB Group USA Inc.	1976	2017
Rikard Wallin	Managing director of NCAB Group Sweden AB	1972	2011
Howard Goff	Vice President Global Customers Sales	1962	2010

Executive management of NCAB

Hans Ståhl *(born 1955)*
Hans Ståhl has been CEO of NCAB since 2004 and a member of the board of directors since 2007. Employed in NCAB since 2003.

Hans Ståhl also holds various other positions in the Group.

In the past five years, Hans Ståhl has held, but holds no longer, other positions in the Group and has been the owner of H. Ståhl Management (sole proprietorship).

Anders Forsén *(born 1962)*
Anders Forsén has been CFO of NCAB since 2008.

Anders Forsén also holds other positions within the Group in addition to being CFO.

In the past five years, Anders Forsén has held, but holds no longer, other positions in the Group and has been the owner of Forsén Trading (sole proprietorship).

Anders Forsén holds a B.Sc. in Business Administration and Finance from Linköping University.

Anna Lothsson *(born 1977)*
Anna Lothsson has been Sustainability Manager of NCAB since 2013. Before that she was a Strategic Purchasing Manager since 2005.

Anna Lothsson is also a deputy member of the board of directors of Leafnode AB.

Anna Lothsson holds a B.Sc. in Electrical Engineering and Economics from the KTH Royal Institute of Technology, Stockholm and a Graduate Certificate in Marketing from the University of Wollongong, Australia.

Chris Nuttall *(born 1973)*
Chris Nuttall has held various positions in the Group but has been COO of NCAB since 2009.

Chris Nuttall holds a M.Sc. in Quality Management and a B.Sc. in Technology & Management from Paisley University, United Kingdom.

Eva Holm *(born 1962)*
Eva Holm has been Global HR Manager of NCAB since 2015 on a consultancy basis.

Eva Holm is also a HR Manager for Interflora AB as well as a member of the board of directors and CEO of Sparkle More AB. Eva Holm is also a member of the board of directors of Yogastudion i Danderyd Ek. för. and a deputy member of the board of directors of Björn Holm Merförsäljarna AB.

In the past five years, Eva Holm has been, but is no longer, Head of HR of Magnusson Law Firm.

Eva Holm holds a M.Sc. in Business and Economics from Stockholm University.

Magnus Jakobsson *(born 1975)*
Magnus Jakobsson has been IT Manager of NCAB since 2005.

Michael Larsson *(born 1968)*
Michael Larsson has been Vice President Sales of NCAB since 2017 and previously held other positions within the Group since 2005.

Michael Larsson is also a deputy member of the board of directors of Coaching & Motivation Scandinavia AB.

Gunilla Öhman *(born 1959)*
Gunilla Öhman has been IR Manager of NCAB since 2018 on a consultancy basis.

Gunilla Öhman is owner of Gunilla Wikmans enskilda firma (sole proprietorship). Furthermore, Gunilla Öhman is a member of the boards of directors of Hoist Finance AB (publ) and Carrara Communication AB as well as a deputy member of the board of directors of Tiferna AB.

In the past five years, Gunilla Öhman has been, but is no longer, IR Manager of Edgeware AB (publ), Resurs Holding AB (publ) and Eltel AB as well as a member of the boards of directors of SJ AB, AMF Fonder AB, Hoist Kredit Aktiebolag, Flyinge Aktiebolag, Oatly AB, Cereal Base CEBA Aktiebolag and HMS Networks AB. Furthermore, Gunilla Öhman has been a deputy member of the board of directors of Svenska Ridsportförbundets Service Aktiebolag.

Gunilla Öhman holds an MBA from the Stockholm School of Economics.

Martin Magnusson *(born 1976)*
Martin Magnusson has, since 2003, held various positions in the Group but has been managing director of NCAB Group USA Inc. since 2017.

In the past five years, Martin Magnusson has been, but is no longer, a member of the board of directors and CEO of NCAB Borlänge AB. Furthermore, Martin Magnusson has been Vice President Sales & Marketing of NCAB.

Martin Magnusson holds an MBA from Växjö University.

Rikard Wallin *(born 1972)*
Rikard Wallin has been managing director of NCAB Group Sweden AB since 2011.

Rikard Wallin is also owner of Rikard Wallin Enterprises (sole proprietorship).

Rikard Wallin has undergone a Corporate Management Program at the Swedish Institute for Management (IFL) at the Stockholm School of Economics, and has studied Strategic Management & Leadership at the Chartered Management Institute, United Kingdom.

Howard Goff *(born 1962)*
Howard Goff has been Vice President Global Customers Sales of NCAB and managing director of NCAB Group UK Ltd since 2010.

Howard Goff holds an HND in Aerospace Engineering from the University of West England, United Kingdom.

Auditors

Since 2007, Öhrlings PricewaterhouseCoopers AB is the Company's auditor and was, at the annual general meeting 2018, re-elected for the period until the end of the annual general meeting 2019. Ola Salemyr (born 1969) is the auditor in charge. Ola Salemyr is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Öhrlings PricewaterhouseCoopers AB's office address is Torsgatan 21, SE-113 21 Stockholm, Sweden. Öhrlings PricewaterhouseCoopers AB has been auditor throughout the entire period which the historic financial information in this Offering Circular covers.

The Company's auditor made a remark regarding that tax and social fees had not been paid in time in the audit report regarding the 2015 consolidated annual report. The remark was worded as follows:

Without it having an effect on our statements, we would like to remark on that deducted tax and social fees on several occasions were not paid in due time. The neglect has not caused any material harm for the company, except for interest on late payments.

There are no other remarks in the audit reports.

Further information on the members of the board of directors and executive management

There are no family ties between any of the members of the board of directors or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of the members of the board of directors and executive management of NCAB Group AB (publ) towards the Company and their private interests and/or other undertakings. However, several of the members of the board of directors and executive management have financial interests in NCAB Group AB (publ) as they hold, and will continue to hold following completion of the Offer, shares in the Company. Shareholding members of the board of directors and the executive management have undertaken, not to sell their respective holdings for a certain period after the trading on Nasdaq Stockholm has commenced, see the section "*Share capital and ownership – Commitment to refrain from selling shares (Lock-up)*".

During the past five years, no members of the board of directors or executive management described above have (i) been convicted of any fraud-related offences, (ii) represented a company which has been in bankruptcy, involuntary liquidation or receivership, (iii) been the subject of sanctions or accusations by authorities or bodies acting for particular professional groups under public law, or (iv) been subject to injunctions against carrying out business.

The members of the board of directors are not entitled to any benefits payable by the Company when they retire from the board of directors. For information on the executive management's right to severance pay if their position with the Company is terminated, see the section "*Corporate governance – Remuneration for members of the board of directors and executive management – Remuneration for the CEO and executive management*".

All members of the board of directors and executive management are available at the Company's head office at Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden.

The number of shares held by members of the board of directors and executive management are presented in the table on page 59 in this Offering Circular. Members of the board of directors and executive management not presented in the table, hold no shares or warrants in the Company.

Corporate governance

NCAB Group AB (publ) is a Swedish public limited liability company. Prior to listing on Nasdaq Stockholm, the corporate governance in the Company was mainly based on Swedish law, the Company's articles of association and internal rules and instructions. As a company listed on Nasdaq Stockholm, the Company will apply the rules of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*), the Company's articles of association, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the "Code") as well as other Swedish and foreign laws and regulations, as applicable. The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be applied as soon as possible and at the latest at the first annual general meeting held following the listing. The Code defines a norm for good corporate governance on a higher level of ambition than the Swedish Companies Act's and other regulations' minimum requirements. The Code is based on the principle "comply or explain". It means that the Company must not at every occasion comply with every rule of the Code, but may choose other solutions that are deemed to better respond to the circumstances in the individual case, provided that the Company openly reports every such non-compliance, describes the alternative solution chosen and states the reasons for this.

NCAB will apply the Code from the date of the listing of the Company's shares on Nasdaq Stockholm. NCAB does not expect to deviate from any of the rules of the Code. All, if any, non-compliances with the Code will be described in the Company's corporate governance report, which will be drawn up for the first time for the 2018 financial year.

The general meeting

Under the Swedish Companies Act, the general meeting is NCAB's highest decision-making body. The general meeting may resolve upon every issue for the Company, which is not specifically reserved for another company body's exclusive competence. At the annual general meeting, which shall be held within six months from the end of the financial year, shareholders exercise their voting rights on issues, such as the adoption of income statement and balance sheet, allocation of the Company's profit or loss, resolutions to discharge the members of the board of directors and the CEO from liability for the financial year, the appointment of members of the board of directors and auditor as well as remuneration for the board of directors and the auditor.

Besides the annual general meeting, extraordinary general meetings may be convened. In accordance with the articles of association, all general meetings shall be convened through announcements in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by posting the notice of the meeting on the Company's website. An announcement shall be placed in Svenska Dagbladet with information that the meeting has been convened.

The chairman of the board of directors, as many other members of the board of directors as possible and the CEO shall be present at extraordinary general meetings of the Company. At annual general meetings, in addition to the aforementioned, at least one member of the nomination committee, at least one of the Company's auditors and, to the extent possible, all members of the board of directors, shall participate.

Right to attend general meetings

All shareholders who are registered directly in the share register kept by Euroclear Sweden AB ("Euroclear"), five weekdays prior to the general meeting and who has notified the Company of their intention to attend the general meeting at the latest by the date specified in the notice convening the meeting shall be entitled to attend the general meeting and vote according to the number of shares they hold. Shareholders may attend general meetings in person or through a proxy, and may also be accompanied by not more than two assistants.

Shareholder initiatives

Shareholders who wish a matter to be discussed at the general meeting must submit a written request in that regard to the board of directors. Requests must normally be received by the board of directors at least seven weeks prior to the general meeting.

Nomination committee

The general meeting held on 14 March 2018 resolved to adopt the following guidelines for the establishment of a nomination committee with the task of presenting proposals to the annual general meeting in 2019:

- Chairman of the annual general meeting;
- Members of the board of directors, chairman of the board of directors and auditor;
- Director's fee divided between the chairman and other members of the board of directors;
- Fees for work in the board of directors' committees;
- Fees to the auditors; and
- Nomination committee for the annual general meeting to be held in 2020.

The annual general meeting resolved that the nomination committee for the annual general meeting to be held in 2019 should be appointed by the five largest shareholders according to Euroclear's register on the last banking day in August 2018. The chairman of the board of directors will contact these shareholders in September 2018 to form the nomination committee. The chairman of the board of directors should be included in the nomination committee. The nomination committee appoints the chairman of the committee.

If a representative leaves the nomination committee or in case of an ownership change that means that a represented shareholder no longer belongs to the largest shareholders, the composition should be changed according to the nomination committee's resolution if the nomination committee finds it appropriate. The composition of the nomination committee should be published as soon as the representatives and the chairman of the nomination committee have been appointed. No remuneration should be paid for work in the nomination committee. The mandate of the current nomination committee should apply until the new committee is appointed according to the above criteria.

The resolution is conditional upon the trading in the share becoming unconditional.

The board of directors

The board of directors is the highest decision-making body after the general meeting and also the highest executive body. The responsibilities of the board of directors' is primarily set forth in the Swedish Companies Act, the Swedish Annual Accounts Act, the Company's articles of association, instructions given by the shareholders at the general meeting and the rules of procedure for the board of directors. In addition thereto, the board of directors shall comply with the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other Swedish and foreign laws and regulations, as applicable.

Pursuant to the Swedish Companies Act, the board of directors is responsible for the Company's organization and the administration of the Company's affairs. The rules of procedure for the board of directors which have been adopted by the board of directors and are reviewed annually, governs the division of work and responsibilities among the board of directors, its chairman and the CEO. The board of directors also adopts instructions for the committees of the board of directors and an instruction for the CEO, as well as an instruction for financial reporting.

The board of directors' tasks include adopting strategies, business plans and budgets, interim reports, year-end financial statements and annual reports and setting instructions, policies and guidelines. The board of directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the board of directors. Finally, the board of directors decides on the Company's major investments and changes in the organization and activities.

The chairman of the board of directors is in charge of the work of the board of directors, responsible for ensuring that the board of directors' work is carried out efficiently and that the board of directors fulfills its obligations in accordance with applicable laws and regulations. In particular, the chairman shall monitor the board of directors' performance and prepare and chair the meetings of the board of directors. The chairman is also responsible for ensuring that the board of directors evaluates its work each year and always receives the information necessary to perform its work effectively. The chairman represents the board of directors in relation to the shareholders of the Company.

Members of the board of directors are appointed annually by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors shall consist of a minimum of three members and a maximum of ten members appointed by the general meeting, without deputy members. At the date of the Offering Circular, the Company's board of directors consists of seven ordinary members, with no deputies. The members of the board of directors are presented in more detail in the section "*Board of directors, executive management and auditors*".

Audit committee

The board of directors has appointed an audit committee in accordance with the Swedish Companies Act. According to the Swedish Companies Act, members of the audit committee may not be employed by the Company and at least one member of the audit committee shall hold accounting or audit competence. The audit committee is to comprise three members of whom the majority are to be independent in relation to the Company and its executive management, and at least one of the members that are independent in relation to the Company and its executive management must also be independent in relation to the Company's major shareholders.

The current audit committee consists of three members: Gunilla Rudebjer (chairman of the audit committee), Hans Ramel and Christian Salamon, all of which are independent to the Company and its executive management. Gunilla Rudebjer is also independent of the Company's major shareholders.

The audit committee is responsible for monitoring the Company's financial reporting, risk management and internal control, as well as accounting and auditing. The audit committee also reviews and monitors the auditors' impartiality and independence, other services provided by the Company's auditors and assists the Company's nomination committee with the preparation of proposals for election of auditor. The members of the audit committee shall possess competence and experience within accounting, auditing and/or risk management allowing them to fulfill the obligations of the committee.

Remuneration committee

The board of directors has appointed a remuneration committee. According to the rules of procedure for the board of directors, a member serving on the remuneration committee may not be employed by the Company or any other company within the Group. The members shall be independent of the Company and its executive management. At least one of the members of the remuneration committee is also to be independent of the Company's major shareholders. The chairman of the board of directors shall chair the committee. The remuneration committee consists of three members of the board of directors: Christian Salamon (chairman of the remuneration committee), Magdalena Persson and Per Hesselmark.

The remuneration committee's main tasks are to prepare the board of directors' decisions on issues concerning, among other things, terms of employment and compensation to the executive management. The remuneration committee shall produce a compensation policy to be presented to the board of directors. Furthermore, the remuneration committee shall prepare documentation in certain other remuneration matters of principal nature or otherwise of significant importance, for example stock option programmes and profit sharing systems and monitor and evaluate the application of the guidelines for remuneration that the annual general meeting is legally obliged to establish, as well as the current remuneration structures and levels in the Company.

CEO and other executive management

The CEO reports to the board of directors. The CEO's responsibility is governed by the Swedish Companies Act, the Swedish Annual Accounts Act, the Company's articles of association, instructions given by shareholders at the general meeting, the instruction for the CEO and other internal instructions and guiding principles adopted by the board of directors, as well as other Swedish and foreign laws and regulations, as applicable. In addition thereto, the CEO, as from the date of the listing of the Company's shares on Nasdaq Stockholm, will comply with the Code and Nasdaq Stockholm's Rule Book for Issuers.

According to the Swedish Companies Act, the CEO shall handle the day-to-day management pursuant to the board of directors' guidelines and instructions. In addition, the CEO shall take any measures necessary in order for the Company's accounts to be maintained pursuant to law and that the management of funds is conducted in an appropriate manner. The division of work between the board of directors and the CEO is described in the instruction for the CEO.

The CEO shall administrate the operative management and execute the resolutions passed by the board of directors. The CEO shall control and supervise that the matters to be dealt with by the board of directors according to applicable legislation, the articles of association and internal instructions are presented to the board of directors, and shall continuously keep the chairman of the board of directors informed about the Company's operations, its earnings and financial position, as well as any other event, circumstances or conditions that cannot be assumed to be irrelevant to the board of directors or the shareholders.

The CEO and executive management are presented in greater detail in the section "*Board of directors, executive management and auditors*".

Remuneration for members of the board of directors and executive management

Remuneration for members of the board of directors

Fees and other remuneration for members of the board of directors, including the chairman of the board of directors, are resolved upon by shareholders at the annual general meeting. The annual general meeting held on 14 March decided that total fees to the members of the board of directors, for the period until the next annual general meeting, shall amount to SEK 2,450,000. SEK 700,000 shall be payable to the chairman of the board of directors and SEK 350,000 each to the six other members of the board of directors. Extra director's fee of SEK 50,000 and 100,000 should be payable to Magdalena Persson and Gunilla Rudebjer, respectively. The extra director's fee should be paid in March 2018. Fees shall not, however, be paid to a board member employed by the Company. Another SEK 150,000 shall be payable to the chairman of the audit committee and to the other two members of the audit committee, another SEK 50,000 each. SEK 25,000 shall be payable to each member of the remuneration committee. Members of the Company's board of directors shall not be entitled to any benefits once they retire as members of the board of directors.

Remuneration for the CEO and executive management

Remuneration during the 2017 financial year

Remuneration in SEK received by the board of directors and executive management for the 2017 financial year is listed below.

	Fee	Fixed salary	Variable salary	Pension*	Other benefits	Total
Members of the board of directors						
Christian Salamon	200,000	-	-	-	-	200,000
Hans Ramel	100,000	-	-	-	-	100,000
Hans Ståhl	-	-	-	-	-	-
Per Hesselmark	100,000	-	-	-	-	100,000
Jan-Olof Dahlén	100,000	-	-	-	-	100,000
Magdalena Persson	100,000	-	-	-	-	100,000
Gunilla Rudebjer	100,000	-	-	-	-	100,000
Executive management						
Hans Ståhl	-	1,776,783	743,692	327,667	-	2,848,142
Anders Forsén	-	1,254,765	397,247	217,011	-	1,869,023
Anna Lothsson	-	666,018	120,695	36,151	-	822,864
Chris Nuttall	-	1,077,936	225,412	136,465	-	1,439,813
Eva Holm**	982,991	-	-	-	-	982,991
Magnus Jakobsson	-	787,549	170,061	86,373	-	1,043,983
Michael Larsson	-	1,076,028	0	50,520	-	1,126,548
Martin Magnusson	-	1,279,689	347,443	294,113	-	1,921,245
Rikard Wallin	-	1,003,996	707,616	175,490	-	1,887,102
Howard Goff	-	1,538,544	286,334	138,469	-	1,963,347

* The management's pension plans are defined contribution plans. There are consequently no amounts set aside or accrued in the Company to provide pension, retirement or similar benefits after withdrawal from office to the current management.

** Consulting fee to a company, wholly owned by Eva Holm.

Internal control

The board of directors and the CEO are ultimately responsible for ensuring that internal controls are developed, communicated to and understood by the employees of the Company who undertake the individual control activities, and that the control activities are monitored, enforced, updated and maintained. Managers at all levels are responsible for ensuring that internal controls are established within their own area and that these controls achieve the desired effect.

The procedures for internal control, risk assessment, control activities and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which may apply to companies listed on Nasdaq Stockholm. This work involves the board of directors, the executive management and other personnel.

The way in which the board of directors monitors and ensures quality in the internal control is documented in the adopted rules of procedures of the board of directors and the instructions for the audit committee. Part of the audit committee's work is to assess the Company's structure and policies for internal control, see the section "*Corporate governance – The board of directors – Audit committee*".

NCAB uses an internal control model which is similar in approach to the three lines of defense model:

- The first line of defense is NCAB's operational activities. The existing operational and business activities within management and support functions across all business units are carried out in accordance with procedures designed to fulfill NCAB's requirements on internal control. Process owners, along with other employees within NCAB have roles which are clearly defined and also have clear responsibilities and direction in terms of policies, procedures, and strategies, which are necessary to achieve business goals. Self-assessments are carried out to determine the status and functionality of risks and associated controls.
- The second line of defense consists of NCAB's internal monitoring of controls. Monitoring, coordination and consolidation of reported results are completed and compiled within a risk and control matrix where evidence based evaluation of design and operational risk control effectiveness is considered. In addition, there is a coordination of activities to provide improved risk management and to ensuring that NCAB complies with risk management, governance policies and procedures – covering financial, security, risk management and legal perspectives
- The third line of defense consists of NCAB:s audit committee. Internal self-assessments, together with the Company's planned external ISO evaluations, are used so that an overall picture is obtained in connection with evaluation and improvement of the risk management system. The self-assessments are reviewed and assessed by the accounting function, the auditors and the audit committee in order to ensure correct risk management and accounting. The compliance report from the external ISO evaluation will be separated and delivered directly to the audit committee, the board of directors and the CEO.

The CEO and the executive management are responsible for the first line of defense. The responsibility for the second line of defense is shared between the CEO, the executive management, the board of directors and the audit committee. The third line of defense falls within the CEO's and the board of directors' responsibility. In addition NCAB's external auditors review the Group's internal controls as a part of their annual audit.

Financial risk management

The Group's financial policy for financial risk management has been formulated by the board of directors and provides a framework of guidelines and rules in the form of a risk mandate for financial activities. The overall aim of the finance function is to ensure that the financial risks are optimized to a risk level that gives the shareholders a good return, within the framework of the risk mandate provided by the board of directors. Risk management is handled by the Group's finance department in accordance with policies approved by the board of directors. The Group's finance department works closely with the Group's operating units to identify and evaluate financial risks. The board of directors develops and draws up policies for overall risk management, as well as for policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Inside and information policy

The Company has prepared a policy document for the purpose of informing employees and others concerned within NCAB of the laws and regulations applicable to the Company's dissemination of information and the special requirements imposed on persons who are active in a listed company with regard to, for example, inside information. In this context, the Company has established routines for appropriate handling and limiting of the dissemination of information which has not been made public. The Company's CFO and IR manager has the overall responsibility for handling of questions regarding inside information and keeping of an insider register.

Auditing

The Company's statutory auditor is appointed by the annual general meeting. The auditor shall audit the Company's annual report and accounts, the consolidated annual report and the consolidated companies' interrelations, as well as the management by the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report to the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have one auditor, and not more than one deputy auditor. NCAB's auditor is Öhrlings PricewaterhouseCoopers AB, with Ola Salemyr as auditor in charge. The Company's auditor is presented in more detail in the section "*Board of directors, executive management and auditors – Auditors*".

The fee for the audit engagement to the Company's auditor in 2017 amounted to SEK 1.1m, for the Group.

IR function

The IR function is led and supervised by NCAB's IR manager, Gunilla Öhman, and supported by NCAB's CFO, Anders Forsén. The main duties of the IR function is to support the CEO and the executive management in relation to capital markets, along with the CEO and the communications team prepare quarterly and annual reports, analyst meetings, general meetings and capital market presentations, and regularly report on IR activities.

Share capital and ownership

NCAB Group AB (publ)'s share capital, as of the date of the Offering Circular, comprises ordinary shares and preference shares. Shares of both classes carry one (1) vote at general meetings. Ordinary shares and preference shares carry different rights to the Company's assets and profits upon liquidation and distribution of dividends. All outstanding shares are fully paid.

Following completion of the Offer (i.e. after conversion of the ownership structure as described in the section "*Conversion of previous ownership structure*" has taken place), the Company's share capital will amount to SEK 1,684,712.40, divided into 16,847,124 shares, each with a quotient (par) value of SEK 0.10. All preference shares will be converted to ordinary shares meaning that there will only be one class of shares in the Company and each share will carry one (1) vote at general meetings and all shares will have equal rights to the Company's assets and profits upon liquidation and distribution of dividends. The issue of new shares in connection with the Offer will increase the number of shares with 1,333,334 shares, which corresponds to a dilution of 7.9 percent. The new issue resolution will be taken by an extraordinary general meeting on 4 June 2018. All shares entitle the holder the right to dividend for the first time as of the record date for a distribution that occurs after the listing of the shares. Persons registered as owners in the share register maintained by Euroclear on the record date determined by the general meeting are entitled to dividend.

The ISIN-code for NCAB Group AB (publ)'s share is SE0011167956. The shares are denominated in Swedish kronor and is distributed among the shares issued by the Company. The Company's shares have been issued in accordance with Swedish law and the shareholders' rights may only be altered or modified in accordance with the Swedish Companies Act. The shareholders' preferential rights are governed by Swedish law.

The Company's shares are affiliated with Euroclear, which is the central securities depository and clearing organization for the shares in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

Development of the share capital

The table below sets forth the changes in the share capital of NCAB for the period covered by the historical financial information and up to the first day of trading in the Company's shares. No changes were made in 2015.

Registration date	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Total share capital (SEK)
2016-01-30	Exercise of warrants	18,000	1,496,779	18,000	1,496,779
2017-05-24	Exercise of warrants	8,400	1,505,179	8,400	1,505,179
2017-07-13	Exercise of warrants	5,700	1,510,879	5,700	1,510,879
2017-10-18	Exercise of warrants	1,800	1,512,679	1,800	1,512,679
2018-04-13	Split 10:1	13,614,111	15,126,790	-	1,512,679
2018-04-24	Exercise of warrants	285,000	15,411,790	28,500	1,541,179
2018-06-08	Conversion of preference shares to ordinary shares	-	15,411,790	-	1,541,179
2018-06-08	Exercise of warrants	102,000	15,513,790	10,200	1,551,379
2018-06-08	New issue	1,333,334	16,847,124	133,333	1,684,712

Outstanding warrants, convertibles etc.

The Company has 102,000 warrants divided into six different series issued within the Company's previous incentive program. The warrants are held primarily by members of the executive management and other employees. All warrants will be exercised into 102,000 new ordinary shares in connection with the listing of the Company's shares on Nasdaq Stockholm.

Except for what is noted above, the Company has no outstanding convertible debentures, warrants or other financial instruments, which would if they were exercised imply a dilutive effect for the shareholders of the Company.

Authorization

The annual general meeting, held on 14 March 2018, authorized the board of directors to resolve upon: Share issues on one or more occasions until the next annual general meeting. Resolutions to issue new shares can be made against payment with cash, payment with non-cash consideration or by set-off. However, under this authorization, the board of directors may not resolve upon a share issue that is subject to terms resulting in a legal obligation to publish a prospectus. This means that the share issue is limited to a maximum of a number of shares corresponding to 20 percent of the number of outstanding shares immediately after completion of the Offer and that a share issue cannot be intended for the public. Share issues under this authorization can be carried out with or without preferential rights for the shareholders. Furthermore, share issues must be carried out on market terms.

Ownership structure prior to and following the Offer

In Sweden, the lowest threshold for mandatory reporting of changes in shareholdings (so-called "flagging") is 5 percent of all shares or votes in respect of all shares. The table below shows (i) shareholders with holdings corresponding to at least 5 percent of the shares and votes in the Company as of 4 May 2018 and known changes thereafter and (ii) other shareholders in the Company selling shares in the Offer.

Further, the table sets forth the ownership structure of the Company immediately prior to the Offer and immediately after completion of the Offer, based on the assumption that the actions will be effected in accordance with what is described in the section "*Conversion of previous ownership structure*" below. In addition to the Principal Shareholders, the other selling shareholders will sell shares in the Company as presented in the table below.

Dividend per share

Dividend per share was SEK 5.33 in 2017, SEK 0 in 2016 and SEK 5.60 in 2015. In addition, a preference share dividend of SEK 3.24 per preference share was carried out in 2017. Dividend per preference share was SEK 0 in 2016 and SEK 5.28 in 2015.

The above calculations are adjusted for increases in the share capital and for split 10:1.

	Shareholding prior to completion of the Offer		**The Offer**				**Shareholding after completion of the Offer**	
Shareholder	***Number of shares[1]***	***%***	***Basic offer***	***Upsize option***	***Over-allotment Option***	***Total***	***Number of shares[4]***	***%***
R12 Kapital AB[2, 5]	9,584,965	61.8 %	3,354,738	1,437,745	1,108,716	5,901,199	3,683,766	21.9 %
Gogoy AB[3, 6]	1,355,200	8.7 %	474,320	203,280	156,759	834,359	520,841	3.1 %
Hans Ståhl[7]	1,243,630	8.0 %	310,908	0	71,927	382,835	860,795	5.1 %
David Wolff[7]	1,005,000	6.5 %	990,000	0	0	990,000	15,000	0.1 %
Other shareholders, of which:	2,324,995	15.0 %	811,691	0	0	811,691	1,513,304	9.0 %
Vladimir Makarov[7]	*570,000*	*3.7 %*	*142,500*	*0*	*0*	*142,500*	*427,500*	*2.5 %*
Bo Andersson[7]	*417,010*	*2.7 %*	*407,010*	*0*	*0*	*407,010*	*10,000*	*0.1 %*
Anders Forsén[7]	*425,000*	*2.7 %*	*85,000*	*0*	*0*	*85,000*	*340,000*	*2.0 %*
Martin Magnusson[7]	*135,000*	*0.9 %*	*0*	*0*	*0*	*0*	*135,000*	*0.8 %*
Jan-Olof Dahlén[7]	*120,000*	*0.8 %*	*60,000*	*0*	*0*	*60,000*	*60,000*	*0.4 %*
Michael Larsson[7]	*41,410*	*0.3 %*	*0*	*0*	*0*	*0*	*41,410*	*0.2 %*
Magnus Jakobsson[7]	*53,000*	*0.3 %*	*0*	*0*	*0*	*0*	*53,000*	*0.3 %*
Terje Aaslund[7]	*65,000*	*0.4 %*	*65,000*	*0*	*0*	*65,000*	*0*	*0.0 %*
Rikard Wallin[7]	*34,000*	*0.2 %*	*8,500*	*0*	*0*	*8,500*	*25,500*	*0.2 %*
Andy Liu[7]	*32,000*	*0.2 %*	*0*	*0*	*0*	*0*	*32,000*	*0.2 %*
Howard Goff[7]	*27,440*	*0.2 %*	*0*	*0*	*0*	*0*	*27,440*	*0.2 %*
Kim Fagerström[7]	*26,430*	*0.2 %*	*6,608*	*0*	*0*	*6,608*	*19,822*	*0.1 %*
Sanna Magnusson[7]	*24,000*	*0.2 %*	*0*	*0*	*0*	*0*	*24,000*	*0.1 %*
Anna Lothsson[7]	*46,500*	*0.3 %*	*0*	*0*	*0*	*0*	*46,500*	*0.3 %*
Heinie von Michaelis[7]	*44,000*	*0.3 %*	*5,000*	*0*	*0*	*5,000*	*39,000*	*0.2 %*
Chris Nuttall[7]	*18,290*	*0.1 %*	*0*	*0*	*0*	*0*	*18,290*	*0.1 %*
Rafael Perez de Lema[7]	*18,290*	*0.1 %*	*4,573*	*0*	*0*	*4,573*	*13,717*	*0.1 %*
Carol Ouchakoff[7]	*17,700*	*0.1 %*	*0*	*0*	*0*	*0*	*17,700*	*0.1 %*
Ann Harwood[7]	*13,020*	*0.1 %*	*0*	*0*	*0*	*0*	*13,020*	*0.1 %*
Bjarne Nielsen[7]	*37,000*	*0.2 %*	*9,250*	*0*	*0*	*9,250*	*27,750*	*0.2 %*
Michal Kopcewicz[7]	*37,000*	*0.2 %*	*9,250*	*0*	*0*	*9,250*	*27,750*	*0.2 %*
Jack Kei[7]	*33,720*	*0.2 %*	*0*	*0*	*0*	*0*	*33,720*	*0.2 %*
Kenneth Jonsson[7]	*32,000*	*0.2 %*	*5,000*	*0*	*0*	*5,000*	*27,000*	*0.2 %*
Kelly Davidson[7]	*32,000*	*0.2 %*	*2,000*	*0*	*0*	*2,000*	*30,000*	*0.2 %*
Örjan Ödegaard[7]	*20,149*	*0.1 %*	*2,000*	*0*	*0*	*2,000*	*18,149*	*0.1 %*
Pascal Lequerre[7]	*5,036*	*0.0 %*	*0*	*0*	*0*	*0*	*5,036*	*0.0 %*
New issue	0	0.0 %	1,333,334	0	0	1,333,334	0	0.0 %
Gunilla Rudebjer	0	0.0 %	0	0	0	0	6,666	0.0 %
Magdalena Persson	0	0.0 %	0	0	0	0	2,000	0.0 %
Gunilla Öhman	0	0.0 %	0	0	0	0	4,000	0.0 %
New shareholders	0	0.0 %	0	0	0	0	10,240,752	60.8 %
Total	**15,513,790**	**100.0 %**	**7,274,991**	**1,641,025**	**1,337,402**	**10,253,418**	**16,847,124**	**100.0 %**

1) Total holdings of ordinary shares, preference shares and warrants. The preference shares and warrants will be converted to and exercised for subscription of ordinary shares on or about 8 June and each preference share and warrant corresponds to one ordinary share.
2) Hans Ramel holds 10.7 % of the shares and 36.0 % of the votes, and Per Hesselmark holds 10.1 % of the shares and 35.7 % of the votes in R12.
3) Christian Salamon holds 100 % of the shares in Gogoy.
4) Based on the assumption that the Offer is increased in full and that the Over-allotment Option is exercised in full.

Business addresses:
5) Riddargatan 12, SE-114 35 Stockholm, Sweden.
6) Grönviksvägen 29, SE-167 71 Bromma, Sweden.
7) Mariehällsvägen 37 A, SE-168 65 Bromma, Sweden.

Conversion of previous ownership structure

In connection with the trading in the share becoming unconditional, which is deemed to take place on or about 8 June 2018, the following actions will be effected:

(i) a dividend of SEK 2,703,286 will be paid to the preference shareholders, corresponding to accrued preference share interest;

(ii) all 2,912,620 outstanding preference shares will be converted 1:1 into ordinary shares, whereafter the Company will have only one outstanding share class; and

(iii) all 102,000 outstanding warrants will be exercised for subscription of 102,000 ordinary shares. The Company will thereby receive total proceeds of SEK 2,201,248.

Actions (i) and (ii) were resolved upon by the annual general meeting on 14 March 2018, conditional upon the trading in the share becoming unconditional. Action (iii) is agreed upon between the Company, the shareholders and the warrantholders.

Commitment to refrain from selling shares (Lock-up)

Under the agreement regarding placing of shares that is expected to be entered into on or about 4 June 2018, (the "Placing Agreement"), the Selling Shareholders as well as shareholding members of the board of directors and executive management will undertake, subject to exceptions, not to sell their respective holdings during a certain period of time after the first day of trading in the shares on Nasdaq Stockholm. The commitments do not apply to shares sold in the Offer. The Lock-up Period for shareholding members of the board of directors and executive management will be 360 days and for R12, Gogoy and other selling shareholders, the Lock-up Period will be 180 days. After the expiration of the Lock-up Period, the shares may be offered for sale, which may affect the market price of the shares. The Manager may grant exemptions from these commitments at its own discretion.

In the Placing Agreement, the Company will undertake in relation to the Manager to, inter alia, subject to exceptions, during a period of 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm, not resolve, or propose to the shareholders to resolve at a general meeting, to increase the share capital through a new issue of shares or other financial instruments without the written approval of the Manager. See also the section "*Legal considerations and supplementary information – Material agreements – Placing Agreement*".

Shareholders' agreements

Upon completion of the Offer and listing of the Company's shares on Nasdaq Stockholm, there will be no shareholders' agreement between the shareholders aiming at creating a common influence over the Company, or that may result in a change of control of the Company.

Restrictions on the disposal of shares in the Company

The shares in NCAB will, upon completion of the Offer, be freely transferable. The shares are not subject to any restrictions on transferability. The shares covered by the Offer are not subject to any mandatory public offer, squeeze-out or sell-out process. No public takeover bid has been made with respect to the offered shares since the Company was incorporated.

Articles of association

Articles of association of NCAB Group AB (publ), reg. no. 556733-0161, adopted by the annual general meeting in the Company on 14 March 2018. The amendment of the articles of association will be effective upon registration with the Swedish Companies Registration Office, which is conditional upon the Company's share being admitted to trading on Nasdaq Stockholm and the trading in the share becoming unconditional, which is expected to take place on or about 8 June 2018.

ARTICLES OF ASSOCIATION

§ 1 Name of the Company
The name of the company is NCAB Group AB (publ).

§ 2 Registered Office
The registered office of the board of directors shall be in the municipality of Stockholm.

§ 3 Objects of the Business of the Company
The company shall conduct consultancy services in the field of marketing, provide administrative services to subsidiaries, own and manage shares, and conduct activities related thereto.

§ 4 Share Capital
The share capital of the company shall be not less than SEK 1,500,000 and not more than SEK 6,000,000.

§ 5 Number of Shares
The number of shares shall be not less than 15,000,000 and not more than 60,000,000.

§ 6 Classes of Shares
One class of shares may be issued. Each ordinary share shall entitle to one vote.

§ 7 Board of Directors and Auditors
The board of directors shall consist of at least three and not more than ten directors elected by the General Meeting, without deputy directors.

One or two authorized auditors with or without deputy auditor or a registered accounting firm shall be appointed.

§ 8 Notice to Convene General Meeting
Notice to convene a general meeting shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available at the company's website. At the time of the notice, the company shall by announcement in the Swedish newspaper Svenska Dagbladet publish information that the notice has been issued.

In order to participate in a general meeting, a shareholder must be recorded in a transcription of the whole share register in effect five weekdays prior to the meeting and must give the company notice of his or her intention to attend not later than on the day mentioned in the notice convening the general meeting. This day may not be a Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five (5) weekdays (including Saturdays) prior to the General Meeting. A shareholder attending a general meeting may be accompanied by an assistant only if the shareholder has given the company notice of his or hers intentions to bring an assistant in accordance with the section above.

§ 9 Annual General Meeting
An annual general meeting shall be held within six months from the expiry of each fiscal year. At the annual general meeting, the following matters shall be addressed:

1. Opening of the general meeting
2. Appointment of chairman of the general meeting.
3. Preparation and approval of the voting register.
4. Approval of the agenda.
5. Appointment of one or two persons to approve the minutes.
6. Resolution whether the meeting has been duly convened.
7. Presentation of the annual report and the auditor's report and, if applicable, the consolidated annual report and the consolidated auditor's report.
8. Resolutions regarding:
   a. adoption of the income statement and balance sheet and, if applicable, the consolidated income statement and consolidated balance sheet;
   b. allocation of the company's profit or loss according to the adopted balance sheet; and
   c. discharge from liability for directors of the board and the CEO.
9. Resolution regarding remuneration to the board of directors and for the auditors.
10. Appointment of directors of the board and an accounting firm or auditors and possible deputy auditors.
11. Any other matter on which the annual general meeting is required to decide pursuant to Swedish Companies Act (2005:551) or the company's articles of association.

§ 10 Fiscal Year
The fiscal year of the company shall comprise the period from 1 January to 31 December.

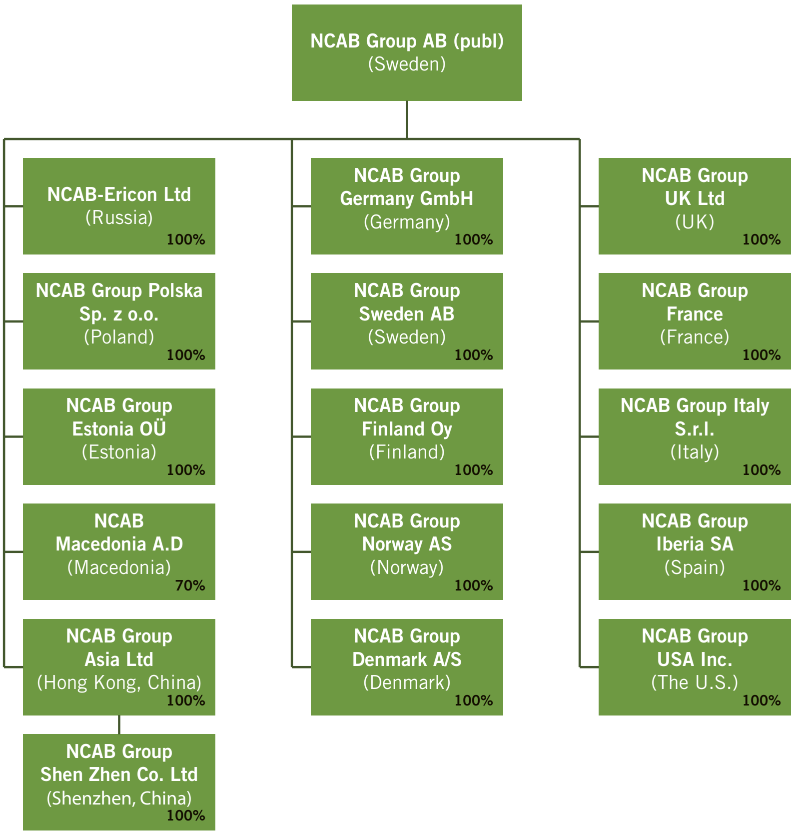
§ 11 Record Date Clause
The Company's shares shall be registered with a central security depository register, pursuant to the Swedish Financial Instruments Accounts act (SFS 1998:1479).

Legal considerations and supplementary information

General corporate information and legal group structure

The Company's activities are carried out in compliance with the Swedish Companies Act. The company NCAB Group AB (publ) (corporate registration number 556733-0161) is a Swedish public limited liability company (Sw. *publikt aktiebolag*) which was established in Sweden on 22 May 2007, under Swedish law. The Company's current name was registered on 13 April 2018 as the Company changed its name from NCAB Holding AB. The Company has its registered office in the municipality of Stockholm, Sweden.

NCAB is currently carrying out its operations in Sweden, Germany, the UK, Russia, Poland, France, Estonia, Finland, Italy, Macedonia, Norway, Spain, China, Denmark and the U.S. Below is an overview of the legal structure of the Group showing all of the Company's subsidiaries. All companies illustrated below are wholly owned, except NCAB Macedonia A.D. For more information about the Group's subsidiaries, see Note 16, page F-42 in the section "*Historical financial information*".



Agreements in the ordinary course of business

Customer contracts

NCAB serves approximately 1,650 customers. NCAB's top ten customers accounted for approximately 27 percent of total sales in 2017. Accordingly, NCAB has a low level of dependency on single customers.

NCAB's general terms and conditions ("NCAB's GTC") for sales and delivery of products and services are applicable in respect of all products and services provided by NCAB, unless otherwise agreed in writing. The majority of NCAB's sales are governed by NCAB's GTC on an order-by-order basis. Some customer relationships are governed by written agreements which generally refer to the customers' own general terms and conditions. Under NCAB's GTC, NCAB is not liable for any special, indirect, incidental or consequential damage. NCAB's liability under NCAB's GTC are in all cases limited to damage up to EUR 15,000.

Supplier contracts

NCAB has approximately 18 main manufacturers, accounting for PCB purchases of SEK 906.0m[1] in 2017, see Note 22, page F-46 in the section "*Historical financial information*". NCAB has entered into supply agreements on a Group level, mainly with manufacturers in China but also with manufacturers in Europe, the U.S. and Macedonia. NCAB works with 13 preferred manufacturers in China, accounting

1) NCAB's internal accounting system.

for about 80 percent of the purchase volume, with which NCAB have written supply agreements. When these manufacturers cannot meet the demand for particular types of PCBs, NCAB finds and approves manufacturers for these special purposes. No written supply agreements are entered into with these last mentioned manufacturers.

The supply agreements with the manufacturers contain essentially the same provisions with a few variations. The term of the agreements is indefinite and the notice period for terminating the agreements is 180 days. The parties apply prices agreed in advance and all price changes need to be negotiated between the parties. Most agreements contain clauses governing inter alia the products to be delivered, delivery terms and product liability. Some agreements also contain clauses governing confidentiality and the obligation for the supplier to comply with the Group's code of conduct. None of the agreements contain any minimum purchase commitments.

Discount agreements

NCAB Group Asia Ltd has entered into a number of discount agreements with NCAB's Chinese manufacturers, pursuant to which a discount of 5 percent of the previous month's orders is payable by manufacturers in the first five calendar days of each month to NCAB Group Asia Ltd.

Material agreements

Presented below is a summary of material agreements which NCAB has entered into over the past two years, as well as other agreements that NCAB has entered into that contains obligations or entitlements that are material to NCAB (other than agreements entered into within the scope of the ordinary course of business). NCAB does not regard any specific agreement to be material to NCAB's business as a whole, other than the agreements described below.

Purchase agreement regarding part of M-Wave International LLC.

In 2014 NCAB Group USA Inc. acquired the PCB business of M-Wave International LLC. through an asset purchase. The asset purchase agreement contains a number of restrictive covenants (such as non-compete and non-solicitation). These covenants have a time period of five years and, for example, restricts the vendor from competing with the sold PCB business. No breaches of these restrictive covenants have occurred at the date of this Offering Circular.

Credit Facilities

Prior to the listing, NCAB will refinance its current credit facilities with Nordea and certain branches of Nordea in connection with the Offer. For more information on the credit facility agreements, see the section "*Capitalization, indebtedness and other financial information – Capital structure in connection with the listing*".

Placing Agreement

According to the terms of the Placing Agreement which is intended to be entered into on or about 4 June 2018 between the Company, the Selling Shareholders and Manager, the Company undertakes to issue shares and the Selling Shareholders undertake to dispose shares, according to what is set forth in this Offering Circular, to purchasers procured by Manager, or if Manager fails to procure purchasers, to Manager. The Principal Shareholders also intend to grant Manager an Over-allotment Option to, within 30 days from the first day of trading in the Company's shares, acquire an additional amount of up to 15 percent of the shares that are covered by the Offer. The Over-allotment Option may only be exercised in order to cover possible over-allotments within the framework of the Offer.

Pursuant to the Placing Agreement, the Company and the Selling Shareholders, respectively, make customary representations and warranties to Manager, e.g. in relation to the information in the Offering Circular being correct, the Offering Circular and the Offer fulfilling requirements in laws and regulation and that there are no legal, or other, hindrances for the Company to enter into the agreement or for the completion of the Offer. Pursuant to the Placing Agreement, Manager's commitment to procure purchasers to or, if Manager fails to procure purchasers, oneself acquire the shares comprised by the Offer is conditional upon, among other things, the representations and warranties of the Company and the Selling Shareholders, respectively, being correct. Under the Placing Agreement, the Company will, subject to customary qualifications, undertake to, under certain conditions, indemnify Manager against certain claims and certain conditions.

Pursuant to the Placing Agreement, the Selling Shareholders undertakes, with customary conditions, not to sell their shares during the Lock-up Period. Pursuant to the Placing Agreement, the Company also undertakes not to (i) issue, offer, pledge, sell, undertake to sell or otherwise transfer or divest, directly or indirectly, any shares in the Company or any other securities which are convertible to or can be exercised or exchanged for such shares, or (ii) purchase or sell warrants or other instruments or enter into swap agreements or other arrangements which wholly or partly assign financial risk associated with ownership of the Company to another party prior to 180 days at the earliest after the date when trading starts on Nasdaq Stockholm. Manager may, however, grant exemptions from these limitations.

Stabilization

In connection with the Offer, the Manager may, to the extent permitted under Swedish law, carry out transactions in order to stabilize, maintain, or otherwise support the market price of the Company's shares for up to 30 days after the first day of trading in the Company's shares on Nasdaq Stockholm. The Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those which might otherwise prevail in the open market. The Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such stabilization transactions may be effected on any securities market, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice, but must be ended upon the expiry of the above-mentioned 30-day period. No later than by the end of the seventh trading day after stabilization transactions have been undertaken, the Manager shall disclose that the stabilization transactions have been undertaken in accordance with Article 5(4) in EU's Market Abuse Regulation 596/2014 and Commission Delegated Regulation (EU) 2016/1052 supplementing Regulation (EU) No 596/2014 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures, Chapter III. Within one week of the end of the stabilization period, the Manager will make public whether or not stabilization was undertaken, the date on which stabilization commenced, the date on which stabilization last occurred, and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out. Except as required by law or regulation, the Manager will not disclose the extent of any stabilization and/or over-allotment transactions concluded in relation to the Offer.

Disputes, claims and investigations

The Group is from time to time involved in disputes and investigations in the ordinary course of business. Other than as discussed below, the Company does not expect the disputes and investigations it is involved in to have a significant effect on the Group's financial position or profitability.

Tax dispute in Russia

A settlement was reached with the Russian tax authority over a claim relating to a previous subcontractor's reporting and payment of VAT for the years 2013–2015. The final amount, including advisory costs, was

SEK 32.8m of which SEK 31.9m was charged to earnings in 2017 and the remaining SEK 0.9m was charged to earnings in the first quarter of 2018.

Permits and regulatory matters

There are no specific regulatory permits required in order for NCAB to conduct its business. As part of the Group's ongoing business, the PCBs go through regular customs clearance, and occasionally the Group companies are requested to clarify some data regarding the origin or destination of the goods, to identify the end-customer or to confirm the invoice value.

NCAB Group USA Inc. is registered with the U.S. Department of State's Directorate of Defense Trade Controls under the International Traffic in Arms Regulations ("ITAR") as a manufacturer of defense articles. A registration under the ITAR is required when a U.S. company manufactures defense articles, exports defense articles, or otherwise provides defense-related services to foreign persons. A notification requirement under ITAR may be triggered by the Offer.

Insurance

The Group uses Aon Sweden AB as its insurance broker. Most customary insurance policies are entered into at Group level and the Group holds, inter alia, the following insurances: Property- and Business Interruption Insurance, General- and Product Liability Insurance, a Liability insurance covering directors and officers, Crime Insurance, Business Travel Insurance and Cargo Insurance. The managing director of each respective Group company is responsible for ensuring that the operations of such company maintain adequate insurance coverage. NCAB is of the view that the insurance coverage is adequate and consistent with industry practice and that it is sufficient for the risks normally associated with the Group's business.

Real Estate

NCAB currently leases a total of 20 business premises in the jurisdictions in which NCAB is currently conducting its business. In addition, NCAB also leases a warehouse in Hong Kong and one in the UK. According to the terms of the lease agreements, some of the leases are due to expire soon or have already expired. However, NCAB has confirmed that all leases are, or will be, renewed.

Tax

From time to time, NCAB is subject to enquiries and tax audits initiated by local tax authorities. No audits have resulted in any material amendments to the filed tax returns or significant additional taxes payable during the last three years.

Intellectual Property

The Group's registered intellectual property rights comprise only of trade names and domain name registrations. Trade names are registered for several national companies in Sweden, Finland and Denmark. Registering trademarks, design rights or patents has not been of importance to the Group, since the Group works with its customers' intellectual property rights and no research and development is conducted within the Group.

Environment

The Group continuously work to improve its sustainability work and communication and the Group's sustainability strategy is based on the standard ISO 26000. The Group does not conduct any material manufacturing and the risk for contamination of soil, water, air etc. is thus low. Environmental impact from the Group's business derive from the products managed and distributed by the Group (for example transports, energy and waste). Given the nature of the Group's business, the Group's overall environmental exposure is limited. It should, however, be noted that historic acquisitions carried out by the Group could impose potential unidentified environmental exposures.

Transactions with related parties

The Company's HR Manager, Eva Holm, is hired on a consultancy basis. The agreement with her wholly owned company has a notice period of two months. The consulting fee amounted to SEK 982,991 in 2017. The Company's IR Manager, Gunilla Öhman, is also hired on a consultancy basis. The agreement has a notice period of three months, however, the assignment can be terminated at the earliest in June 2019. For a description of transactions made with related parties, see Note 36, page F-51 in the section "*Historical financial information*". According to the Company's financial report for the period January-March 2018, transactions with related parties have taken place to the same extent as before and the same principles are applied as described in Note 36 in the section "*Historical financial information*". This also applies to the period after 31 March 2018.

Service agreement regarding business support

The Company has entered into a service agreement regarding business support with all its subsidiaries except for NCAB Group Shen Zhen Co. Ltd. Since NCAB Group Shen Zhen Co. Ltd handles its business more independently in relation to the Company than other subsidiaries, NCAB Group Shen Zhen Co. Ltd will not adhere to the agreement.

According to the agreement, the Company agrees to provide its subsidiaries with business support services required for the proper and efficient management of the subsidiaries in the areas of marketing and sales, management and finance, IT, etc. The agreement also covers the situation when subsidiaries provide services to each other. For the services they receive, the subsidiaries pay service fees.

Intra-group loans

There are also a number of intra-group loans. The intra-group loans are presented, in SEK thousands, in the table below.

Receivables	31 Dec 2017	31 Dec 2016	31 Dec 2015
NCAB Group Germany GmbH	19,042	20,172	24,502
NCAB Group Denmark A/S	-	-	1,947
NCAB Group Iberia S.A	1,112	1,351	2,574
NCAB Ericon Pte	-	222	405
NCAB Group Polska Sp. z o.o.	1,602	403	1,107
NCAB Group UK Ltd	34,990	40,888	32,761
NCAB Group France SAS	17,081	14,582	11,793
NCAB Group Sweden AB	-	-	1,503
NCAB Group USA Inc.	42,677	47,700	47,556
NCAB Group Italy S.r.l.	6,029	2	-
NCAB Group Estonia Oü	6,288	-	-
Total	**128,819**	**125,319**	**124,148**

Liabilities	31 Dec 2017	31 Dec 2016	31 Dec 2015
NCAB Group Sweden AB	21,186	7,237	-
NCAB Group Norway AS	18,486	17,090	9,473
NCAB Group Finland Oy	17,617	16,527	8,908
NCAB Group Denmark A/S	2,302	1,458	1,458
NCAB Group Asia Ltd.	3,739	5,718	70
Total	**63,329**	**48,030**	**18,451**

Advisors

The Manager provides financial advice and other services to the Company and the Principal Shareholders in connection with the Offer, for which they will receive customary remuneration. The total compensation will be dependent on the success of the Offer. The Manager has, from time to time, provided and may in the future provide, the Principal Shareholders and parties related to the Principal Shareholders, services within the scope of the daily operations in connection with other transactions. The Company's and the Principal Shareholders' legal advisors, in connection with the Offer (see the section *"Addresses"*), will receive customary compensation for the advice given. The legal advisors have also, from time to time, provided, and may in the future provide, the Principal Shareholders and parties related to the Principal Shareholders with legal advice within the scope of the daily operations in connection with other transactions.

Subscription undertakings

Fjärde AP-Fonden (AP4), Tredje AP-fonden (AP3), Länsförsäkringar Fondförvaltning AB (LF Fondförvaltning), Lazard Asset Management Deutschland GmbH (Lazard GmbH) and C WorldWide Asset Management Fondmaeglerselskab A/S Danmark filial Sverige (C WorldWide) (together, the "Cornerstone Investors") have committed to acquire shares in the Offer, on terms principally corresponding to other investors', corresponding to 7.5 percent, 4.0 percent, 3.0 percent, 3.0 percent and 3.0 percent, respectively of the total number of shares in the Company after the Offer. The commitments from the Cornerstone Investors amount to a total of 3,433,334 shares, corresponding to approximately 20.4 percent of the total number of shares in the Company after the Offer. The subscription commitments are conditional on that the Company's shares are admitted for trading on Nasdaq Stockholm not later than 30 June 2018, that the offer price does not exceed SEK 75 and that they receive full allocation in the Offer. The Cornerstone Investors receive no compensation for their commitments. The subscription commitments are not secured.

In addition, Gunilla Rudebjer, Magdalena Persson and Gunilla Öhman have also committed to, conditional upon them receiving full allocation in the Offer, acquire shares in the Offer, corresponding to 0.04 percent, 0.01 percent and 0.02 percent of the number of shares in the Company after the Offer, respectively, at a value of SEK 949,950 divided between 12,666 shares. No compensation is received for these commitments.

The Fourth Swedish National Pension Fund

The Fourth Swedish National Pension Fund is one of five buffer funds in the Swedish public pension system. The Fourth Swedish National Pension Fund's mission is to contribute to economic safety for today's and tomorrow's pensioners through managing part of the national Swedish pension system's buffer capital. The Fourth Swedish National Pension Fund's long term perspective, responsibility as an owner, and large engagement for sustainability creates possibilities for high returns at a low cost. In this way, the Fourth Swedish National Pension Fund acts for more secure pensions. At year end 2017, the Fourth Swedish National Pension Fund's portfolio value amounted to SEK 357bn, whereof SEK 200bn worth of shares.

The Third Swedish National Pension Fund

The Third Swedish National Pension Fund is one of five buffer funds in the Swedish public pension system. At year end 2017, the Third Swedish National Pension Fund managed SEK 345bn. The fund has been tasked by the Swedish Riksdag to manage the fund capital in the best interests of the income pension system by generating high returns at low risk.

Lazard Asset Management

Lazard Asset Management manages approximately USD 200bn of assets around the world across a broad spectrum of asset classes. The Lazard European Microcap Fund targets long-term capital appreciation by investing in a concentrated portfolio of European micro-cap stocks with a market capitalization of no more than EUR 1bn.

C WorldWide Asset Management

C WorldWide Asset Management Fondsmaeglerselskab A/S is a focused and independent asset manager. The objective is to deliver consistent and long term asset growth for its clients through active investments in listed equities on global stock exchanges.

Länsförsäkringar Fondförvaltning

Länsförsäkringar Fondförvaltning is a subsidiary of Länsförsäkringar Bank which is owned by 23 regional insurance companies. Länsförsäkringar Fondförvaltning's managed funds amounted to SEK 159bn at year end 2017, of which a volume of SEK 139bn is managed under own brand.

Transaction costs

NCAB's costs attributable to the Offer and the admission of its shares for trading on Nasdaq Stockholm, including payment to the issuing institute and other advisors, and other estimated transaction costs are estimated to amount to approximately SEK 45m.

Documentation made available for inspection

The Company's (i) articles of association, and (ii) all such historical financial information as referred to in this Offering Circular, including auditors' reports, are made available for inspection during office hours at Mariehällsvägen 37, SE-168 65 Bromma, Sweden. These documents are also available in electronic form on the Company's website at www.ncabgroup.com. Further, the financial statements for the financial years 2016-2017 of the Company's subsidiaries are made available at the address as set out above.

Tax considerations in Sweden

Certain Swedish tax regulations that may become relevant as a result of the Offer are presented below. The summary is intended for shareholders subject to unrestricted taxation in Sweden, unless otherwise stated. The summary does not pertain to be exhaustive and does not cover situations where the shares are held by partnerships or as current assets in a business operation. Nor does the summary deal with particular regulations governing tax-exempt capital gains (including non-deductible capital losses) or dividends to the corporate sector that may be applicable for investors holding preference shares or subscription rights that are considered to be held for business purposes. Nor does it deal with particular regulations that apply to what are termed qualified shares in closely held companies. Special tax consequences may also arise for other categories of shareholders, such as investment companies and funds and persons who are not exclusively liable for taxes in Sweden. Holders of shares and subscription rights are recommended to consult a tax adviser regarding the tax consequences that may arise in each particular case, including the applicability and impact of foreign regulations or tax treaties.

Taxation on the disposals of shares

Individuals

For individuals and estates, capital gains are taxed in the capital income category. The tax rate is normally 30 percent.

Capital gains and capital losses on the disposal of shares are normally calculated as the difference between the sales proceeds, less selling expenses, and the acquisition cost. The acquisition cost for all shares of the same series and type is calculated through application of the average cost method. For the acquisition cost of listed shares, the standard method may be used as an alternative, at a rate of 20 percent of the sales proceeds after deduction of selling expenses.

A capital loss on the disposal of listed shares is fully deductible from taxable capital gains arising during the same year from other listed shares and ownership rights, except for shares in such investment funds that consist solely of Swedish receivables (fixed income funds). Capital losses that cannot be offset in this manner are deductible at a rate of 70 percent against other income in the capital income category. If a net loss arises in the capital income category, a tax reduction is granted against municipal and national income tax, as well as against property tax and municipal property charges. A tax reduction of 30 percent is granted on the portion of such net loss that does not exceed SEK 100,000 and 21 percent on the remaining portion. Tax losses incurred in one year cannot be utilized in subsequent years.

Limited liability companies

Limited liability companies are taxed for all income in the business activities income class at a tax rate of 22 percent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductions for capital losses on shares are normally granted solely against capital gains on shares and other ownership rights. If certain conditions are satisfied, a capital loss may also be offset against capital gains arising in companies within the same group, subject to the condition that rights to make group contributions are permitted between the companies and that both companies request this for the same fiscal year with the same filing date for both companies' tax returns. Capital losses that could not be used in a given taxation year may be saved and deducted from capital gains on shares and ownership rights in subsequent taxation years without any time limitations. Shares held for business purposes are subject to specific rules.

Taxation on dividends

For individuals and estates, dividends on listed shares are taxed in the capital income category at a tax rate of 30 percent. For limited liability companies, dividends are taxed at the corporate tax rate of 22 percent. Shares held for business purposes are subject to specific rules. Preliminary tax on dividends is withheld by Euroclear or, regarding nominee-registered shares, by the nominee. The Company is not responsible in the event of any tax being withheld.

Shareholders with limited tax liability in Sweden

For shareholders with limited tax liability in Sweden, Swedish coupon tax is generally payable at a tax rate of 30 percent on dividends from Swedish limited liability companies. However, this tax rate is generally reduced through tax treaties that Sweden has entered into with other countries to avoid double taxation. The coupon tax is withheld by Euroclear when the dividend is paid or, regarding nominee-registered shares, by the nominee. In the event that 30 percent coupon tax is withheld when the dividend is paid to a person who is entitled to taxation at a lower tax rate or if coupon tax is otherwise withheld in an excessive amount, a refund may be requested in writing from the Swedish Tax Agency before the end of the fifth calendar year after the time when the dividend is paid.

The holders of shares with limited tax liability in Sweden, and that do not operate a business from a permanent establishment in Sweden, are normally not subject to tax in Sweden for capital gains realized upon the disposal of shares and other ownership rights. However, shareholders may become liable to taxation in the country in which they are domiciled for the purpose of taxation. According to a special rule, individuals with limited tax liability in Sweden may become liable to taxation in Sweden on the sale of certain securities, if they have been resident or lived permanently in Sweden at any time during the calendar year when such disposal occurred or during the previous ten calendar years. In a number of cases, however, the application of this rule is reduced through tax treaties that Sweden has entered into with other countries to avoid double taxation.

Historical financial information

Financial information for the period January – March 2018

Interim report January-March 2018 ..... F-1

Financial information for the years ended 31 December 2017, 2016 and 2015

Consolidated statement of profit or loss F-25
Consolidated statement of comprehensive income F-26
Consolidated balance sheet F-27
Consolidated statement of changes in equity F-29
Consolidated statement of cash flows F-30
Notes F-31
Auditor's report F-54

No financial information in the Offering Circular has, unless otherwise stated, been audited or reviewed by the Company's auditor, except for the financial information contained in this section, page F-1-F-54.

Financial information for the period January – March 2018

Interim Report January–March 2018

JANUARY–MARCH 2018 PERIOD

- Net sales increased by 6 per cent to SEK 374.4 million (354.0) In USD terms, net sales increased by 16 per cent
- The order intake was slightly lower than in the same period in 2017, at SEK 369.0 million (376.9). In USD terms, the order intake increased by 8 per cent
- EBITA was SEK 31.1 million (36.2) and the EBITA margin 8.3 per cent (10.2)
- The company incurred costs of SEK 1.5 million related to preparations for the IPO and final legal costs of SEK 0.9 million related to the tax dispute in Russia
- Adjusted* EBITA was SEK 33.5 million (36.2) and the adjusted* EBITA margin 8.9 per cent (10.2)
- The operating profit was SEK 30.0 million (35.0) and the operating margin 8.0 per cent (9.9)
- Earnings after tax were SEK 21.1 million (29.6)
- Earnings per share were SEK 1.33 (1.91) before dilution and SEK 1.31 (1.87) after dilution**

SIGNIFICANT EVENTS DURING THE PERIOD

- A settlement was reached in respect of the demand from the Russian tax authority. The total cost was SEK 32.8 million, of which SEK 31.9 million was expensed in 2017. SEK 14.3 million was paid in December 2017 and the remaining portion in the first quarter of 2018
- Due to the provisions made for the Russian tax demand, the company was unable to meet one of its financial covenants as at 31 December 2017. The covenant was waived by the bank during the period
- NCAB Group achieves top ranking as an employer in the Best Service Company category in Brilliant's annual Powered By People survey
- Gunilla Öhman appointed new Head of Investor Relations

KEY PERFORMANCE INDICATORS	Jan–Mar			Full year	
	2018	2017	Change, %	LTM***	2017
Order intake, MSEK	369.0	376.9	-2	1,501.3	1,509.2
Order intake, MUSD	45.6	42.2	8	179.8	176.8
Net sales, MSEK	374.4	354.0	6	1,420.5	1,400.1
Net sales, MUSD	46.2	39.9	16	170.3	164.0
Gross margin, %	30.4	30.4		30.2	30.2
EBITA, MSEK	31.1	36.2	-14	65.1	70.2
EBITA margin, %	8.3	10.2		4.6	5.0
Adjusted* EBITA, MSEK	33.5	36.2	-7	111.0	113.7
Adjusted* EBITA margin, %	8.9	10.2		7.8	8.1
Operating profit/loss, MSEK	30.0	35.0	-14	60.6	65.6
Profit after tax, MSEK	21.1	29.6	-29	31.9	40.4
Earnings per share before dilution**, SEK	1.33	1.91	-31	1.85	2.42
Earnings per share after dilution**, SEK	1.31	1.87	-30	1.82	2.38
Cash flow from operating activities, MSEK	-20.9	6.5	Neg	9.9	37.4
Return on equity, %	19.8	53.9		19.8	30.4

* Adjusted for extraordinary items of SEK 2.4 million in EBITA in the first quarter of 2018 related to preparations for the IPO and final legal costs related to the settlement with the Russian tax authority. EBITA has been adjusted by SEK 45.9 million for LTM and by SEK 43.5 million for the full year 2017
** The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period
*** LTM = last twelve months = rolling twelve months

MESSAGE FROM THE CEO

A positive first quarter

NCAB has made a good start to 2018. Thanks to our high order intake in late 2017, we achieved strong underlying growth in USD, with net sales increasing by 16 per cent. The order intake in USD also increased, by 8 per cent. In SEK terms, the figures are slightly lower, as the dollar was significantly weaker than in the first quarter of 2017. Pricing in the PCB market is in dollars, which affects our net sales but has less of an impact on earnings, as a large share of our costs are also dollar-related. Adjusted EBITA was slightly below the level in 2017. The adjusted EBITA margin narrowed from 10.2 per cent to 8.9 per cent, partly due to a weaker dollar and a stronger euro, and partly due to costs for new staff.

We expect the market to remain healthy with good demand in all NCAB's segments. The Chinese, German and UK markets have been particularly strong for us, while we still are in a transition phase in USA. We are also pleased to note that Italy, our new market where we established a presence in 2017, has performed well. Although the amounts involved are small, this is a sign that our strategy for launches in new markets is proving successful.

As in the fourth quarter of 2017, our customers have been reporting a shortage of certain types of components that they use, which is also putting a brake on sales of PCBs. The component shortage is partly due to a series of mergers of suppliers in the industry, which has led to longer lead teams while the factories ramp up production to full capacity. We expect the component shortage to be temporary and that a balance will be restored over time.

We remain optimistic about 2018, although there are uncertainties about the outlook for the economy and world trade. If the dollar remains below its level in 2017, this will reduce our growth in SEK terms somewhat. In 2018, we will continue to pursue our strategy for profitable growth. We see a potential in deepening the integration with our existing customers with the aim of increasing the value we add and thereby our profitability, continuing to recruit more skilled workers and investing for future growth in selected countries. We are pleased to note that other underlying measures are also pointing in the right direction: the quality of our printed circuit boards reached a new high during the period and were rewarded for our efforts to ensure employee satisfaction.

Hans Ståhl
CEO and President, NCAB Group AB

"A continued strong market with good demand"

Q1 2018

6%	374	33.5	8.9%
Sales growth	Net sales, SEKm	Adjusted* EBITA, SEKm	Adjusted* EBITA margin

*) Adjusted for extraordinary items of SEK 2.4 million in EBITA in the first quarter of 2018, comprising IPO preparation costs of SEK 1.5 million and final legal costs of SEK 0.9 million related to the settlement with the Russian tax authority.

ABOUT NCAB

A leading supplier of printed circuit boards

NCAB is one of the world's leading suppliers of printed circuit boards with some 1,650 customers across 45 markets globally. Being the leader doesn't necessarily mean being the biggest, although size is important for us. We also want to be the leader in terms of expertise, service, sustainability and technology. Being the leading player also gives us the strength to attract customers through important projects, skilled employees and the best factories.

We take overall responsibility for supplying our customers with high-quality PCBs at the right price. We do not own any factories, but thanks to our local sales companies and our Factory Management team, which works closely with the factories, we "own" the most important elements: the whole manufacturing process as well as the relationships with the customer and the factory. This gives us access to the best technology without being dependent on factory investments.

BUSINESS CONCEPT

Our business concept is to provide defect-free printed circuit boards for demanding customers, at the right time and at the lowest overall cost.

VISION

To be the leading supplier of printed circuit boards – in all our countries of operation.

FINANCIAL TARGETS AND DIVIDEND POLICY

NCAB's medium-term target is to achieve average annual organic growth before acquisitions of around 8 per cent and an adjusted EBITA margin of around 8 per cent. Our capital structure target is a ratio of net debt to adjusted EBITDA of less than 2.0. The debt ratio may temporarily exceed this level, in connection with a major acquisition for example. NCAB intends to distribute available cash flow after taking account of the company's debt situation and future growth opportunities, including acquisitions, with an expected payout ratio of 50 per cent of net profit.

1,650
CUSTOMERS

15
COUNTRIES WITH LOCAL PRESENCE

18
MANUFACTURERS

45
MARKETS

365
SPECIALISTS

113
MILLION PCBs MANUFACTURED ANNUALLY

NCAB Group AB (publ) | Interim Report January–March 2018

GROUP PERFORMANCE

JANUARY–MARCH 2018 PERIOD

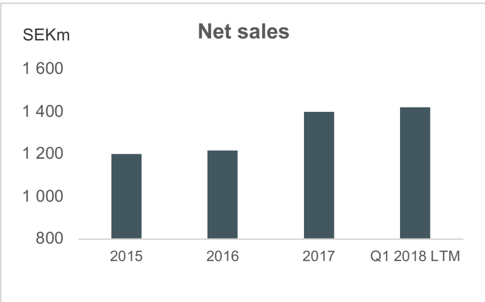
NET SALES

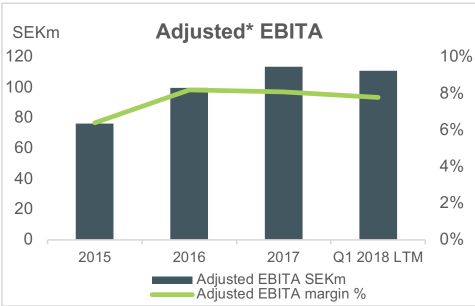
Net sales increased by 6 per cent in the first quarter, to SEK 374.4 million (354.0). Underlying growth in USD terms was around 16 per cent, as the weakening of the US dollar against the Swedish krona is estimated to have had a negative effect of around 10 percentage units off the reported growth rate. Excluding the adverse US dollar impact, the company saw strong growth, especially in its Europe and East segments. The underlying market was positive for all segments and the order intake increased by 8 per cent in USD terms. In SEK terms, the order intake decreased by 2 per cent.

EARNINGS

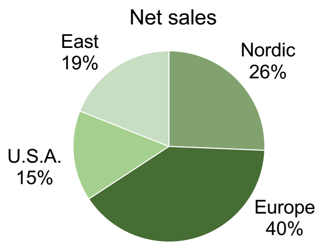
Adjusted EBITA* was SEK 33.5 million (36.2) and the adjusted EBITA margin decreased to 8.9 per cent (10.2) as a result of currency effects and increased costs for new staff. The company also experienced a delay in call-off orders during the period, which our customers say is due to longer lead times and reduced availability of certain types of components at their end. EBITA was SEK 31.1 million (36.2) after deduction of costs of SEK 1.5 million related to IPO preparations and costs of SEK 0.9 million related to the final legal costs in the Russian tax dispute. The operating profit decreased to SEK 30.0 million (35.0).

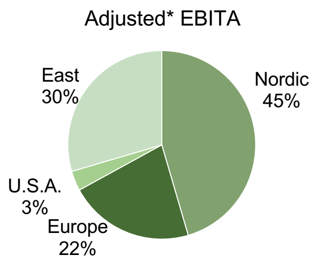
The net financial expense was SEK -4.4 million (-1.2), of which SEK -2.4 million (0.0) refers to negative foreign exchange differences. The income tax expense was SEK -4.5 million (-4.2). Earnings after tax for the period were SEK 21.1 million (29.6).





BREAKDOWN BY SEGMENT, JAN–MAR 2018





*) Adjusted for extraordinary items of SEK 2.4 million in EBITA in the first quarter of 2018 related to IPO preparation costs and final legal costs in the settlement with the Russian tax authority

NCAB Group AB (publ) | Interim Report January–March 2018

PERFORMANCE BY SEGMENT

NORDIC

Sweden, Norway, Denmark, Finland and Estonia.

First quarter
Net sales increased by 1 per cent in the first quarter, to SEK 96.1 million (95.6). The weakening of the US dollar against the Swedish krona is expected to have reduced reported growth by approximately 11 percentage units. EBITA was SEK 16.0 million (15.0) and the EBITA margin increased to 16.6 per cent (15.7) as a result of a higher gross margin.

17%
EBITA margin

NORDIC	Jan–Mar			Full year	
SEK million	2018	2017	Change, %	LTM	2017
Net sales	96.1	95.6	1	368.7	368.2
EBITA	16.0	15.0	6	48.1	47.2
EBITA margin, %	16.6	15.7		13.1	12.8

EUROPE

France, Germany, Spain, Poland, Italy and the United Kingdom.

First quarter
Net sales for the first quarter increased by 14 per cent, to SEK 150.2 million (131.4). The weakening of the US dollar against the Swedish krona is expected to have reduced reported growth by approximately 10 percentage units. Growth was particularly strong in Germany and the UK. EBITA decreased to SEK 7.6 million (9.9) and the EBITA margin fell to 5.1 per cent (7.6), primarily as a result of a large number of new recruitments aimed at supporting future growth and the establishment of operations in Italy.

14%
Sales growth

EUROPE	Jan–Mar			Full year	
SEK million	2018	2017	Change, %	LTM	2017
Net sales	150.2	131.4	14	526.3	507.5
EBITA	7.6	9.9	-24	27.5	29.8
EBITA margin, %	5.1	7.6		5.2	5.9

NCAB Group AB (publ) | Interim Report January–March 2018

U.S.A.

First quarter
Net sales decreased by 12 per cent in the first quarter, to SEK 57.3 million (65.1). The weakening of the US dollar against the Swedish krona is expected to have reduced reported growth by approximately 9 percentage units. EBITA decreased to SEK 1.2 million (2.5) and the EBITA margin was 2.0 per cent (3.8).

-12%
Change in net sales

NCAB established a presence in the US through two acquisitions in 2012 and 2014. The companies have now been integrated following a partial reorientation of the businesses in 2016 and 2017 with the aim of promoting growth, partly through the opening of new offices. A new managing director was appointed in August 2017.

U.S.A. SEK million	Jan–Mar 2018	Jan–Mar 2017	Change, %	Full year LTM	Full year 2017
Net sales	57.3	65.1	-12	253.2	261.0
EBITA	1.2	2.5	-52	11.0	12.3
EBITA margin, %	2.0	3.8		4.3	4.7

EAST

China, Macedonia and Russia.

First quarter
Net sales increased by 15 per cent in the first quarter, to SEK 71.0 million (61.9). The weakening of the US dollar against the Swedish krona is expected to have reduced reported growth by approximately 11 percentage units. The company saw particularly strong growth in China. Adjusted EBITA was SEK 10.4 million (8.6) and the adjusted* EBITA margin 14.7 per cent (13.8).

15%
Sales growth

EAST SEK million	Jan–Mar 2018	Jan–Mar 2017	Change, %	Full year LTM	Full year 2017
Net sales	71.0	61.9	15	271.9	262.8
EBITA	9.5	8.6	11	-3.1	-4.1
Adjusted* EBITA	10.4	8.6	22	29.7	27.8
EBITA margin, %	13.4	13.8		-1.1	-1.6
Adjusted* EBITA margin, %	14.7	13.8		10.9	10.6

*) EBITA for the reporting period has been adjusted by SEK 0.9 million for final legal costs in the settlement with the Russian tax authority. The full year 2017 figure has been adjusted by SEK 31.9 million and the LTM figure by SEK 32.8 million

FINANCIAL POSITION

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the first quarter was SEK -20.9 million (6.5). The change compared with the same period in 2017 is attributable to the final payment in the Russian tax dispute, a temporary increase in past due trade receivables as a result of Easter falling at the end of the period, a decrease in EBITA, and IPO preparation costs. Cash flow from investing activities was SEK -0.8 million (-0.7) and refers mainly to investments related to the establishment of a subsidiary in Italy as well as adaptations to existing offices.

LIQUIDITY AND FINANCIAL POSITION

The Group's net interest-bearing debt stood at SEK 153.1 million at the end of the period, up from SEK 81.2 million at the end of the first quarter of 2017. The increase in net debt compared with the end of the first quarter of 2017 is mainly attributable to dividends as well as extraordinary items. The equity/assets ratio at 31 March 2018 was 22.3 per cent (35.8) and equity stood at SEK 131.6 million (190.8). At the end of the period, the Group had available liquidity, including undrawn overdraft facilities, of SEK 39.3 million (99.0).

Due to the provisions made for unforeseen costs in the tax dispute in Russia, the company was unable to meet the covenant relating to equity/assets ratio in its loan agreement with the bank as at 31 December 2017. In accordance with IFRS, all bank loans were therefore classified as current liabilities as at 31 December 2017. During the reporting period, the company received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first quarter of 2018. The bank loans are therefore again accounted for as current and non-current liabilities for the reporting period.

Other

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to risks of a financial as well as operational nature, which the Group can influence to a greater or lesser extent. Continuous processes are in place in the Group to identify any risks and assess how they should be managed.

Operational risks include commercial risks arising from changes in economic activity and demand as well as customer preferences and relationships to the company. Other risks are related to the production capabilities, capacity and order books of the company's manufacturers, and to the availability and prices of raw materials. The company is also dependent on the continued trust of its employees and its ability to recruit skilled employees.

With regard to financial risks, the Group is exposed to currency risk, especially with regard to the exchange rates among USD, EUR and SEK, through the translation exposure of sales and purchase ledgers, and reported assets, liabilities and net investments in the operations. The Group is also exposed to other risks, such as interest rate risk, credit risk and liquidity risk.

See NCAB's Annual Report 2017 for a more detailed description of the Group's risk exposure and risk management.

SIGNIFICANT EVENTS DURING THE PERIOD

A settlement was reached in respect of the demand from the Russian tax authority. The total cost was SEK 32.8 million, of which SEK 31.9 million was expensed in 2017. SEK 14.3 million was paid in December 2017 and the remaining amount in February/March 2018. Due to the provisions made for the Russian tax demand, the company was unable to meet one of its financial covenants as at 31 December 2017. The covenant was waived by the lender during the period.

Gunilla Öhman has been appointed new Head of Investor Relations.

At the Annual General Meeting on 14 March 2018, it was resolved to change the name of the company from NCAB Holding AB to NCAB Group AB (publ) and to effect a 10:1 stock split. As the stock split has been approved, earnings per share are presented based on the average number of shares after the split restated for all periods presented in the report. The AGM also authorised the payment of SEK 2.7 million in interest on the company's preference shares, which will be paid in June.

RELATED PARTY TRANSACTIONS

Transactions with related parties have taken place to the same extent as previously and the same principles have been applied as are described in the latest annual report.

ORGANISATION

At 31 March 2018, the number of employees was 365 (315), of whom 172 were women (139) and 193 were men (176). The average number of employees in the organisation during the period was 361 (310), of whom 168 (136) were women and 193 were (174) men.

PARENT COMPANY

In the parent company, net sales for the first quarter of 2018 were SEK 13.0 million (1.6) as a result of increased internal invoicing. Earnings after net financial income/expense were SEK -5.3 million (-8.0), the improvement being due to foreign exchange gains.

DECLARATION OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer declare that the interim report provides a true and fair view of the development of the Group's and parent company's business, its financial position and results, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Bromma, 25 April 2018

Christian Salamon Chairman	**Jan-Olof Dahlén** Director
Per Hesselmark Director	**Magdalena Persson** Director
Hans Ramel Director	**Gunilla Rudebjer** Director

Hans Ståhl
Chief Executive Officer

CONTACT

For further information, please contact
Anders Forsén, CFO +46 (0)8-4030 0051
Gunilla Öhman, Head of Investor Relations, +46 (0)70-763 81 25

NCAB Group AB (publ)
Telephone +46 (0)8-4030 0000
Mariehällsvägen 37 A, SE-168 65 Bromma
www.ncabgroup.com

FINANCIAL CALENDAR

Interim report January–June 2018	16 August 2018
Interim report January–September 2018	16 November 2018
Year-end report 2018	20 February 2019

This interim report has been reviewed by the company's auditor.

Group

CONSOLIDATED INCOME STATEMENT

SEK million	Jan–Mar 2018	Jan–Mar 2017	LTM	Full year 2017
Operating revenue				
Net sales	374.4	354.0	1,420.5	1,400.1
Other operating income	0.2	0.2	0.2	0.2
Total	**374.7**	**354.2**	**1,420.7**	**1,400.3**
Raw materials and consumables	-260.8	-246.6	-992.0	-977.8
Other external expenses	-25.6	-20.8	-97.5	-92.8
Staff costs	-53.7	-49.7	-214.2	-210.2
Depreciation of property, plant and equipment, and amortisation of intangible assets	-2.2	-2.1	-8.7	-8.5
Other operating expenses	-2.4	-	-47.7	-45.3
Total operating expenses	**-344.7**	**-319.2**	**-1,360.1**	**-1,334.7**
Operating profit	**30.0**	**35.0**	**60.6**	**65.6**
Net financial expense	-4.4	-1.2	-8.8	-5.6
Profit before tax	**25.6**	**33.8**	**51.9**	**60.0**
Income tax	-4.5	-4.2	-20.0	-19.6
Profit for the period	**21.1**	**29.6**	**31.9**	**40.4**
Profit attributable to:				
Shareholders of the parent company	21.0	29.5	31.8	40.3
Non-controlling interests	0.0	0.1	0.1	0.1
Average number of ordinary shares	12,214,170	12,055,170	12,196,190	12,156,330
Average number of preference shares	2,912,620	2,912,620	2,912,620	2,912,620
Average total number of shares	15,126,790	14,967,790	15,108,810	15,068,950
Earnings per share before dilution	1.33	1.91	1.85	2.42
Earnings per share after dilution	1.31	1.87	1.82	2.38

The Annual General Meeting on 14 March 2018 resolved to approve a 10:1 stock split. Earnings per share have been calculated retrospectively based on the total number shares after the stock split for each period. As the company's preference shares, in addition to interest payments, entitle the holder to dividends on the same terms as for ordinary shares, the total number of shares (i.e. ordinary shares and preference shares) is used in calculating earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jan–Mar 2018	Jan–Mar 2017	LTM	Full year 2017
Profit for the period	21.1	29.6	31.9	40.4
Other comprehensive income, items that can subsequently be reclassified to profit or loss				
Foreign exchange differences	4.9	0.4	-1.4	-5.9
Total comprehensive income	**25.9**	**30.0**	**30.5**	**34.5**
Profit attributable to:				
Shareholders of the parent company	25.9	29.9	30.4	34.4
Non-controlling interests	0.0	0.1	0.1	0.1

CONSOLIDATED BALANCE SHEET

SEK million ASSETS	31 Mar 2018	31 Mar 2017	31 Dec 2017
Non-current assets			
Goodwill	130.0	132.6	129.4
Other intangible assets	6.9	13.1	8.1
Improvements to third party's property	1.8	1.1	1.9
Plant and equipment	4.9	5.3	4.9
Financial assets	1.1	0.5	1.0
Deferred tax assets	0.7	1.8	0.7
Total non-current assets	**145.5**	**154.3**	**146.0**
Current assets			
Inventories	83.1	55.9	97.5
Trade receivables	305.3	262.0	254.3
Other current receivables	20.2	6.3	15.9
Prepaid expenses and accrued income	8.9	15.1	9.4
Cash and cash equivalents	27.7	39.7	31.2
Total current assets	**445.2**	**378.9**	**408.3**
TOTAL ASSETS	**590.7**	**533.2**	**554.3**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	1.5	1.5	1.5
Additional paid-in capital	119.5	116.5	117.6
Reserves	-2.5	-1.1	-7.4
Retained earnings	12.8	73.7	-5.5
Non-controlling interests	0.2	0.2	0.1
Total equity	**131.6**	**190.8**	**106.4**
Non-current liabilities			
Borrowings	73.3	69.8	-
Deferred tax	3.5	2.3	3.4
Total non-current liabilities	**76.8**	**72.1**	**3.4**
Current liabilities			
Other provisions	-	-	17.6
Current liabilities	107.6	51.1	165.1
Trade payables	199.5	165.0	192.9
Current tax liabilities	7.3	2.7	7.1
Other current liabilities	31.2	25.0	19.4
Accrued expenses and deferred income	36.8	26.4	42.4
Total current liabilities	**382.3**	**270.3**	**444.5**
TOTAL EQUITY AND LIABILITIES	**590.7**	**533.2**	**554.3**

As the required equity/assets ratio was not met at 31 December 2017, all bank loans were classified as non-current liabilities. The requirement was waived by the bank during the period. See also page F-7.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the parent company						
1 Jan 2017	1.5	115.3	-1.5	44.2	159.5	0.1	159.7
Profit for the period	-	-	-	29.5	29.5	0.1	29.6
Other comprehensive income for the period	-	-	0.4	-	0.4	-	0.4
Total comprehensive income	**-**	**-**	**0.4**	**29.5**	**29.9**	**0.1**	**30.0**
Issue of new ordinary shares	0.0	1.2	-	-	1.2	-	1.2
Total transactions with shareholders, recognised directly in equity	**0.0**	**1.2**	**-**	**-**	**1.2**	**-**	**1.2**
31 Mar 2017	**1.5**	**116.5**	**-1.1**	**73.7**	**190.6**	**0.2**	**190.8**

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to shareholders of the parent company						
1 Jan 2018	1.5	117.6	-7.3	-5.5	106.2	0.1	106.4
Profit for the period	-	-	-	21.0	21.0	0.0	21.1
Other comprehensive income for the period	-	-	4.9	-	4.9	-	4.9
Total comprehensive income	**-**	**-**	**4.9**	**21.0**	**25.9**	**0.0**	**25.9**
Issue of new ordinary shares	0.0	1.9	-	-	2.0	-	2.0
Authorised, undistributed dividend on preference shares	-	-	-	-2.7	-2.7	-	-2.7
Total transactions with shareholders, recognised directly in equity	**0.0**	**1.9**	**-**	**-2.7**	**-0.7**	**-**	**-0.7**
31 Mar 2018	**1.5**	**119.5**	**-2.5**	**12.8**	**131.4**	**0.2**	**131.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Jan–Mar 2018	Jan–Mar 2017	LTM	Full year 2017
Cash flow from operating activities				
Profit before net financial income/expense	30.0	35.0	60.6	65.6
Adjustment for non-cash items	-4.5	3.3	-8.3	-0.4
Provisions	-17.6	-	-	17.6
Interest received	0.1	0.1	0.8	0.8
Interest paid	-2.0	-1.3	-7.8	-7.2
Income taxes paid	-10.7	-9.5	-11.9	-18.6
Cash flow from operating activities before changes in working capital	**-4.8**	**27.5**	**33.2**	**57.7**
Change in inventories	14.4	33.4	-27.2	-8.2
Change in current receivables	-40.6	-36.5	-44.5	-32.6
Change in current operating liabilities	10.1	-17.8	48.4	20.5
Total changes in working capital	**-16.2**	**-21.0**	**-23.3**	**-20.3**
Cash flow from operating activities	**-20.9**	**6.5**	**9.9**	**37.4**
Cash flow from investing activities				
Investments in property, plant and equipment	-0.5	-0.7	-3.3	-3.5
Investments in intangible assets	-0.2	0.0	-0.9	-0.7
Investments in financial assets	-0.1	-	-0.5	-0.5
Cash flow from investing activities	**-0.8**	**-0.7**	**-4.7**	**-4.6**
Cash flow from financing activities				
Issue of new shares	2.0	1.2	3.1	2.3
Change in overdraft facility	26.5	0.3	52.6	26.4
Borrowings	-	-	57.2	57.2
Transaction cost, loans	-	-	-0.6	-0.6
Repayment of loans	-10.3	-7.8	-38.4	-35.8
Dividend	-	-	-90.1	-90.1
Cash flow from financing activities	**18.2**	**-6.3**	**-16.1**	**-40.6**
Decrease/increase in cash and cash equivalents				
Cash flow for the period	**-3.6**	**-0.4**	**-10.9**	**-7.8**
Foreign exchange difference in cash and cash equivalents	0.1	0.3	-1.0	-0.9
Cash and cash equivalents at beginning of period	31.2	39.9	39.7	39.9
Cash and cash equivalents at end of period	**27.7**	**39.7**	**27.7**	**31.2**

Parent company

PARENT COMPANY INCOME STATEMENT

SEK million	Jan–Mar 2018	Jan–Mar 2017	Full year 2017
Operating revenue			
Net sales	13.0	1.6	55.3
Total	**13.0**	**1.6**	**55.3**
Other external expenses	-9.5	-5.6	-30.0
Staff costs	-4.5	-4.3	-22.7
Depreciation of property, plant and equipment, and amortisation of intangible assets	-0.2	-0.3	-1.0
Other operating expenses	-1.5	-	-11.6
Total operating expenses	**-15.6**	**-10.2**	**-65.3**
Operating loss	**-2.6**	**-8.5**	**-10.0**
Income from investments in Group companies	-0.1	-	26.6
Other interest income and similar income	3.0	2.5	25.7
Interest expense and similar charges	-5.8	-2.0	-11.8
Net financial income/expense	**-2.7**	**0.5**	**40.5**
Profit/loss before tax	**-5.3**	**-8.0**	**30.5**
Appropriations	-	-	-1.0
Tax on profit for the period	-	-	-0.7
Profit/loss for the period	**-5.3**	**-8.0**	**28.8**

The parent company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as profit for the period.

The company has previously recognised foreign exchange differences on a gross basis in Other interest income and similar income, and Interest expense and similar charges. In this and future interim reports, foreign exchange differences are recognised on a net basis. Historical periods have been restated.

PARENT COMPANY BALANCE SHEET

SEK million ASSETS	31 Mar 2018	31 Mar 2017	31 Dec 2017
Non-current assets			
Capitalised development costs	0.7	1.5	0.9
Plant and equipment	0.2	0.5	0.2
Non-current financial assets	210.8	205.7	206.2
Total non-current assets	**211.7**	**207.7**	**207.3**
Current assets			
Trade receivables	1.5	0.3	0.6
Receivables from Group companies	148.4	118.1	128.8
Other current receivables	6.1	3.3	7.0
Prepaid expenses and accrued income	3.3	3.3	2.0
Cash and cash equivalents	0.1	0.1	0.1
Total current assets	**159.3**	**125.1**	**138.5**
TOTAL ASSETS	**371.0**	**332.8**	**345.8**

EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (1,541,179 shares)	1.5	1.5	1.5
Non-restricted equity			
Share premium account	119.5	116.5	117.6
Retained earnings	-31.5	32.3	-57.7
Profit/loss for the period	-5.3	-8.0	28.8
Total equity	**84.2**	**142.3**	**90.2**
Untaxed reserves	8.8	7.8	8.8
Non-current liabilities			
Liabilities to credit institutions	73.3	69.8	-
Total non-current liabilities	**73.3**	**69.8**	**0.0**
Current liabilities			
Liabilities to credit institutions	41.2	31.1	123.8
Trade payables	3.8	4.2	12.1
Overdraft facility	58.9	14.4	37.7
Liabilities to Group companies	89.9	60.3	63.4
Current tax liabilities	-	-	1.5
Other current liabilities	5.2	-	-
Accrued expenses and deferred income	5.6	3.0	8.2
Total current liabilities	**204.6**	**112.9**	**246.7**
TOTAL EQUITY AND LIABILITIES	**371.0**	**332.8**	**345.8**

As the required equity/assets ratio was not met at 31 December 2017, all bank loans were classified as non-current liabilities. The requirement was waived by the bank during the period. See also page F-7.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity	Non-restricted equity		
	Share capital	Share premium account	Retained earnings	Total
1 Jan 2017	1.5	115.3	32.3	149.2
Profit/loss for the period	-	-	-8.0	-8.0
Total comprehensive income	**-**	**-**	**-8.0**	**-8.0**
Issue of new shares	0.0	1.2	-	1.2
Total transactions with shareholders, recognised directly in equity	**0.0**	**1.2**	**-**	**1.2**
31 Mar 2017	**1.5**	**116.5**	**24.3**	**142.3**

SEK million	Restricted equity	Non-restricted equity		
	Share capital	Share premium account	Retained earnings	Total
1 Jan 2018	1.5	117.6	-28.9	90.2
Profit/loss for the period	-	-	-5.3	-5.3
Total comprehensive income	**-**	**-**	**-5.3**	**-5.3**
Issue of new shares	0.0	1.9	-	2.0
Authorised, undistributed dividend on preference shares	-	-	-2.7	-2.7
Total transactions with shareholders, recognised directly in equity	**0.0**	**1.9**	**-2.7**	**-0.7**
31 Mar 2018	**1.5**	**119.5**	**-36.9**	**84.2**

NCAB Group AB (publ) | Interim Report January–March 2018

Notes

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial statements of the parent company have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

The applied accounting policies are consistent with the policies described in the annual report for the financial year ended 31 December 2017 and should be read in conjunction with these. With the exception of the accounting policies described below, the applied accounting policies are consistent with those described in the NCAB Group's annual report for 2017, which is available on NCAB Group's website.

Segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of segments. In the Group, this function has been identified as the Chief Executive Officer, who makes strategic decisions. The Group's operations are evaluated based on geography. The following four segments have been identified: Nordic, Europe, U.S.A. and East.

The interim financial information on pages F-1-F-24 is an integral part of this financial report.

Significant estimates and judgements
For information on significant estimates and judgements made by management in preparing the consolidated financial statements, see Note 2 of the annual report for 2017.

Effects of new IFRS standards
IFRS 9 Financial Instruments is effective from 1 January 2018. The new standard contains rules for the classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting. As indicated by the previous analysis, the application of IFRS 9 has not had any significant impact on the company's financial statements.

IFRS 15 Revenue from Contracts with Customers is effective from 1 January 2018 and introduces new rules for the determination of obligations and transaction price as well as for when an entity should recognise revenue. The Group's material revenue flows and contracts have been reviewed and it has been established that control is mainly transferred at a point in time, when a good is delivered. The company applies the standard retrospectively. As indicated in the previous analysis, the introduction of the standard has not had any significant impact on the company's financial statements other than any possible additional disclosure requirement. The Group's revenue streams consist of one single product, printed circuit boards, and therefore no other revenue reporting than per segment is disclosed.

IFRS 16 Leases will be effective for financial years beginning on 1 January 2019. The standard will replace IAS 17 Leases and the related interpretations. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognised in the balance sheet. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. The Group has initiated an evaluation of the effects of IFRS 16 on the company's financial statements, which will be completed in 2018.

Note 2 Information on financial assets and liabilities

For more information about financial assets and liabilities, please refer to note 2 in the annual report for 2017. All of the Group's financial assets and liabilities are measured at amortised cost. There are no financial assets and liabilities which are measured at fair value. The carrying amounts of the Group's financial assets and liabilities are deemed to approximate their fair values. All financial assets are recognised in the category "Loans and receivables". All financial liabilities are recognised in the category "Other financial liabilities".

Note 3 Pledged assets and contingent liabilities

The Group has provided shares in subsidiaries as collateral for liabilities to credit institutions. These are of the same size as has previously been described in the latest annual report.

Note 4 Segment

Description of segments and principal activities

In NCAB Group, the CEO is the Group's chief operating decision maker. The segments are based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. NCAB Group has identified four segments, which also constitute reportable segments in the Group's operations:

Nordic
Provides a broad range of PCBs from NCAB Group's companies in Sweden, Norway, Denmark, Finland and Estonia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Europe
Provides a broad range of PCBs from NCAB Group's companies in the UK, Poland, France, Italy, Germany and Spain. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

U.S.A.
Provides a broad range of PCBs from NCAB Group's companies in the United States. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

East
Provides a broad range of PCBs from NCAB Group's companies in Macedonia, China and Russia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB Group has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Revenue
Revenue is generated from a large number of customers across all segments. There are no sales of goods between segments. Minor amounts may be invoiced for freight and services, which are provided on market terms. The revenue from external parties reported to the CEO is measured in the same way as in the income statement.

Net sales and earnings of segments, January–March

	Nordic		Europe		U.S.A.		East		Central functions		Group	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Net sales	96.1	95.6	150.2	131.4	57.3	65.1	71.0	61.9	-0.2	-	374.4	354.0
Adjusted EBITA	**16.0**	**15.0**	**7.6**	**9.9**	**1.2**	**2.5**	**10.4**	**8.6**	**-1.7**	**0.2**	**33.5**	**36.2**
Adj. EBITA margin, %	16.6	15.7	5.1	7.6	2.0	3.8	14.7	13.8	-	-	8.9	10.2
Extraordinary items	-	-	-	-	-	-	-0.9	-	-1.5	-	-2.4	0.0
EBITA	**16.0**	**15.0**	**7.6**	**9.9**	**1.2**	**2.5**	**9.5**	**8.6**	**-3.2**	**0.2**	**31.1**	**36.2**
EBITA margin, %	16.6	15.7	5.1	7.6	2.0	3.8	13.4	13.8	-	-	8.3	10.2
Amortis. intangible assets											-1.1	-1.2
Operating profit/loss											**30.0**	**35.0**
Operating margin, %											8.0	9.9
Net fin. income/expense											-4.4	-1.2
Profit before tax											25.6	33.7
Net working capital	31.6	27.3	75.6	56.6	19.0	23.3	21.1	17.2	-4.5	-4.1	142.7	120.2

Net sales and earnings of segments, 12 months

	Nordic		Europe		U.S.A.		East		Central functions		Group	
	2018 LTM	**2017**	**2018 LTM**	**2017**	**2018 LTM**	**2017**	**2018 LTM**	**2017**	**2018 LTM**	**2017**	**2018 LTM**	**2017**
Net sales	368.7	368.2	526.3	507.5	253.2	261.0	271.9	262.8	0.4	0.6	1,420.5	1,400.1
Adjusted EBITA	**48.1**	47.2	**27.5**	**29.8**	**11.0**	**12.3**	**29.7**	**27.8**	**-5.3**	**-3.4**	**111.0**	**113.7**
Adj. EBITA margin, %	13.1	12.8	5.2	5.9	4.3	4.7	10.9	10.6	-	-	7.8	8.1
Extraordinary items	-	-	-	-	-	-	-32.8	-31.9	-13.1	-11.6	-45.9	-43.5
EBITA	**48.1**	47.2	**27.5**	**29.8**	**11.0**	**12.3**	**-3.1**	**-4.1**	**-18.4**	**-15.0**	**65.1**	**70.2**
EBITA margin, %	13.1	12.8	5.2	5.9	4.3	4.7	-1.1	-1.6	-	-	4.6	5.0
Amortis. intangible assets											-4.5	-4.6
Operating profit/loss											**60.6**	**65.6**
Operating margin, %											4.3	4.7
Net fin. income/expense											-8.8	-5.6
Profit before tax											51.8	60.0
Net working capital	31.6	27.2	75.6	69.7	19.0	16.8	21.1	13.9	-4.5	-12.4	142.7	115.3

Note 5 Quarterly summary

SEK million	Q1 '18	Q4 '17	Q3 '17	Q2 '17	Q1 '17	Q1 '16
Order intake	369.0	422.3	340.7	369.3	376.9	375.1
Net sales	374.4	327.3	342.7	376.1	354.0	309.9
Gross margin, %	30.4	29.7	30.9	29.7	30.4	31.6
EBITA	31.1	-1.1	1.1	34.4	36.2	22.4
EBITA adjusted for extraordinary items	33.5	12.4	31.1	34.4	36.2	22.4
Operating profit/loss	30.0	-2.7	0.1	33.2	35.0	21.4
Total assets	590.7	554.3	556.6	541.1	533.2	533.3
Cash flow from operating activities	-20.9	14.8	13.1	5.6	6.5	32.1
Equity/assets ratio, %	22.3	19.2	19.4	21.5	35.8	29.6
Number of employees	365	354	327	320	315	307

Note 6 Alternative performance measures

Some of the information contained in this report that is used by management and analysts to assess the Group's performance has not been prepared in accordance with IFRS. Management believes that this information helps investors to analyse the Group's financial performance and financial position. Investors should regard this information as complementary rather than as replacing financial reporting in accordance with IFRS.

Gross profit

SEK million	Jan–Mar 2018	Jan–Mar 2017	2018 Q1 LTM	Full year 2017
Net sales	374.4	354.0	1,420.5	1,400.1
Other operating income	0.2	0.0	2.2	2.1
Cost of goods sold	-260.8	-246.6	-992.0	-977.8
Translation differences	0.1	0.2	-2.0	-1.9
Total gross profit	**113.8**	**107.6**	**428.7**	**422.5**
Gross margin, %	30.4	30.4	30.2	30.2

EBITA and adjusted EBITA

SEK million	Jan–Mar 2018	Jan–Mar 2017	LTM	Full year 2017
Operating profit	30.0	35.0	60.6	65.6
Amortisation and impairment of intangible assets	1.1	1.2	4.5	4.6
EBITA	**31.1**	**36.2**	**65.1**	**70.2**
EBITA margin, %	8.3	10.2	4.6	5.0
Extraordinary items	2.4	-	45.9	43.5
Adjusted EBITA	**33.5**	**36.2**	**111.0**	**113.7**
Adjusted EBITA margin, %	8.9	10.2	7.8	8.1

EBITDA and adjusted EBITDA

SEK million	Jan–Mar 2018	Jan–Mar 2017	LTM	Full year 2017
Operating profit	30.0	35.0	60.6	65.6
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	2.2	2.1	8.7	8.5
EBITDA	**32.2**	**37.0**	**69.3**	**74.1**
EBITDA margin, %	8.6	10.5	4.9	5.3
Extraordinary items	2.4	-	45.9	43.5
Adjusted EBITDA	**34.6**	**37.0**	**115.2**	**117.6**
Adjusted EBITDA margin, %	9.2	10.5	8.1	8.4

Return on equity

SEK million	Mar 2018	Mar 2017	Full year 2017
Profit for the period – rolling 12 months	31.9	76.7	40.4
Equity (average)	161.2	142.2	133.0
Return on equity, %	**19.8**	**53.9**	**30.4**

Net working capital

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
Inventories	83.1	55.9	97.5
Trade receivables	305.3	262.0	254.3
Other current receivables	20.2	6.3	15.9
Prepaid expenses and accrued income	8.9	15.1	9.4
Trade payables	-199.5	-165.0	-192.9
Current tax liabilities	-7.3	-2.7	-7.1
Other current liabilities	-31.2	-25.0	-19.4
Accrued expenses and deferred income	-36.8	-26.4	-42.4
Net working capital	**142.7**	**120.2**	**115.3**

Equity/assets ratio

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
Equity	131.6	190.8	106.4
Untaxed reserves	-	-	-
Total	**131.6**	**190.8**	**106.4**
Total assets	590.7	533.2	554.3
Equity/assets ratio, %	**22.3**	**35.8**	**19.2**

Net debt

SEK million	31 Mar 2018	31 Mar 2017	31 Dec 2017
Interest-bearing liabilities	180.9	120.9	165.1
Cash and cash equivalents	-27.7	-39.7	-31.2
Total net debt	**153.1**	**81.2**	**133.9**
Adjusted EBITDA LTM	115.2	111.7	117.6
Net debt / Adjusted EBITDA	**1.3**	**0.7**	**1.1**

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables adjusted for translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for extraordinary items	Adjusted EBITDA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITA provides an overall picture of operating earnings
Adjusted EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items	Adjusted EBITA is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for showing the company's operating earnings
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items, divided by net sales	The adjusted EBITA margin is adjusted for extraordinary items. NCAB Group therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth
Return on equity	Profit/loss for the past 12 months divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used
Net working capital	Current assets excluding cash and cash equivalents less non-interest-bearing current liabilities	This measure shows how much working capital is tied up in the business
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB Group considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness

This is a literal translation of the Swedish original report

Auditor's report

NCAB Group AB (publ), org.nr 556733-0161

Introduction

We have reviewed the condensed interim financial information (interim report) of NCAB Group AB (publ) as per 31 march 2018 and the three-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, April 25 2018

Öhrlings PricewaterhouseCoopers AB

Ola Salemyr
Authorized Public Accountant

Financial information for the years ended 31 December 2017, 2016 and 2015

Consolidated statement of profit or loss (kSEK)

		Financial year		
	Note	**2017**	**2016**	**2015**
Operating revenue				
Net sales	5,6	1,400,039	1,218,719	1,200,296
Other operating income	7	246	7,227	2,398
Total		**1,400,285**	**1,225,945**	**1,202,694**
Raw materials and consumables		-977,814	-854,969	-872,761
Other external expenses	8,10	-92,856	-85,621	-81,992
Staff costs	9	-210,154	-181,005	-167,543
Depreciation of property, plant and equipment, and amortisation of intangible assets	17,18	-8,540	-8,573	-8,429
Other operating expenses	11	-45,345	-	-
Total operating expenses		**-1,334,709**	**-1,130,168**	**-1,130,725**
Operating profit		**65,576**	**95,777**	**71,969**
Financial income	12,14	1,556	67	3,131
Financial expense	12,14	-7,180	-13,350	-7,891
Net financial expense		-5,624	-13,283	-4,760
Profit before tax		**59,952**	**82,494**	**67,209**
Income tax	13	-19,591	-17,431	-12,414
Net profit for the year		**40,361**	**65,063**	**54,795**
Profit attributable to:				
Shareholders of the parent company		40,305	64,995	54,691
Non-controlling interests		56	68	104
Average number of ordinary shares (adjusted for split 10:1)		12,156,330	12,055,170	11,884,540
Average number of preference shares (adjusted for split 10:1)		2,912,620	2,912,620	2,912,620
Average total number of shares (adjusted for split 10:1)		15,068,950	14,967,790	14,797,160
Earnings per share before dilution, SEK (adjusted for split 10:1)	15	2.42	4.09	3.44
Earnings per share after dilution, SEK (adjusted for split 10:1)	15	2.38	4.00	3.36

Earnings per share have been calculated based on the average number of total shares for each period. As the company's preference shares, in addition to interest payments, entitle the holder to dividends on the same terms as for ordinary shares, the total number of shares (i.e. ordinary shares and preference shares) is used in calculating earnings per share.

The notes on pages F-31 to F-53 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income (kSEK)

		Financial year		
	Note	**2017**	**2016**	**2015**
Net profit for the year		**40,361**	**65,063**	**54,795**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign exchange differences		-5,888	13,586	-7,025
Other comprehensive income for the year		-5,888	13,586	-7,025
Total comprehensive income for the year		**34,473**	**78,649**	**47,770**
Attributable to:				
– Shareholders of the parent company		34,417	78,581	47,666
– Non-controlling interests		56	68	104
Total comprehensive income for the year		**34,473**	**78,649**	**47,770**

The notes on pages F-31 to F-53 are an integral part of these consolidated financial statements.

Consolidated balance sheet (kSEK)

	Note	31 Dec 2017	31 Dec 2016	31 Dec 2015
ASSETS				
Non-current assets				
Intangible assets				
Goodwill	18	129,385	133,330	129,933
Other intangible assets	18	8,085	12,871	17,469
Total intangible assets		**137,470**	**146,201**	**147,402**
Property, plant and equipment				
Expenses relating to improvements to third party's property (Improvements to third party's property)	17	1,855	1,097	722
Plant and equipment	17	4,920	6,612	3,111
Total property, plant and equipment		**6,775**	**7,709**	**3,833**
Financial assets				
Financial assets	20	1,003	463	334
Total financial assets		**1,003**	**463**	**334**
Deferred tax assets	28	750	1,858	3,402
Total non-current assets		**145,998**	**156,231**	**154,971**
Current assets				
Inventories				
Raw materials and consumables	22	97,455	89,223	85,594
Total inventories		**97,455**	**89,223**	**85,594**
Current receivables				
Trade receivables	21	254,347	231,118	194,036
Other current receivables	23	15,933	6,513	7,841
Prepaid expenses and accrued income	24	9,365	10,315	4,301
Cash and cash equivalents	25	31,206	39,856	30,776
Total current receivables		**310,851**	**287,802**	**236,954**
Total current assets		**408,306**	**377,025**	**322,548**
TOTAL ASSETS		**554,304**	**533,256**	**477,519**

	Note	31 Dec 2017	31 Dec 2016	31 Dec 2015
EQUITY AND LIABILITIES				
Equity attributable to shareholders of the parent company	26,39			
Share capital		1,513	1,497	1,497
Additional paid-in capital		117,588	115,323	115,322
Reserves		-7,343	-1,455	-15,041
Retained earnings		-5,512	44,181	-20,815
Non-controlling interests		137	146	179
Total equity		**106,383**	**159,692**	**81,143**
LIABILITIES				
Non-current liabilities				
Borrowings	27		78,445	106,712
Deferred tax	28	3,454	2,310	1,100
Total non-current liabilities		**3,454**	**80,755**	**107,812**
Current liabilities				
Other provisions	29	17,595	-	-
Current liabilities	27	165,064	49,335	84,060
Trade payables		192,893	174,445	149,113
Current tax liabilities		7,117	9,269	6,392
Other current liabilities		19,426	20,281	14,426
Accrued expenses and deferred income	30	42,372	39,479	34,573
Total current liabilities		**444,467**	**292,809**	**288,564**
Total liabilities		**447,922**	**373,563**	**396,376**
TOTAL EQUITY AND LIABILITIES		**554,304**	**533,256**	**477,519**

After the end of the year, the company has received a waiver in respect of the failure to achieve the required equity/assets ratio. Normal long-term bank loans will again be classified as non-current liabilities as of the first quarter of 2018. See Note 27.

The notes on pages F-31 to F-53 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (kSEK)

	Note	Attributable to shareholders of the parent company						
		Share capital	Additional paid-in capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2015	**26**	**1,479**	**112,596**	**-8,016**	**24,494**	**130,552**	**141**	**130,693**
Net profit for the year					54,691	54,691	104	54,795
Other comprehensive income for the year				-7,025		-7,025		-7,025
Total comprehensive income				**-7,025**	**54,691**	**47,666**	**104**	**47,770**
Issue of new ordinary shares	26	18	2,727			2,745		2,745
Dividend, ordinary shares	26				-32,035	-32,035	-66	-32,101
Dividend, preference shares	26				-67,965	-67,965		-67,965
Total contributions by and distributions to owners, recognised directly in equity		**18**	**2,727**		**-100,000**	**-97,255**	**-66**	**-97,321**
Closing balance, 31 December 2015		**1,497**	**115,323**	**-15,041**	**-20,815**	**80,964**	**179**	**81,143**
Opening balance, 1 January 2016		**1,497**	**115,323**	**-15,041**	**-20,815**	**80,964**	**179**	**81,143**
Net profit for the year					64,996	64,996	68	65,064
Other comprehensive income for the year				13,586		13,586		13,586
Total comprehensive income				**13,586**	**64,996**	**78,582**	**68**	**78,650**
Dividend	26						-101	-101
Total contributions by and distributions to owners, recognised directly in equity							**-101**	**-101**
Closing balance, 31 December 2016	**26**	**1,497**	**115,323**	**-1,455**	**44,181**	**159,546**	**146**	**159,692**
Opening balance, 1 January 2017		**1,497**	**115,323**	**-1,455**	**44,181**	**159,546**	**146**	**159,692**
Net profit for the year					40,305	40,305	56	40,361
Other comprehensive income for the year				-5,888		-5,888		-5,888
Total comprehensive income				**-5,888**	**40,305**	**34,417**	**56**	**34,473**
Issue of new ordinary shares	26	16	2,222			2,238		2,238
Proceeds from sale of warrants	26		43			43		43
Dividend, ordinary shares	26				-65,003	-65,003	-65	-65,068
Dividend, preference shares	26				-24,997	-24,997		-24,997
Total contributions by and distributions to owners, recognised directly in equity		**16**	**2,265**		**-90,000**	**-87,718**	**-65**	**-87,783**
Closing balance, 31 December 2017		**1,513**	**117,589**	**-7,343**	**-5,512**	**106,245**	**137**	**106,383**

The IFRS transition date was 1 January 2013, which means that the opening balance at 1 January 2015 has been adjusted based on the IFRS principles. Further information is presented in the Annual Report 2015.

The notes on pages F-31 to F-53 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows (kSEK)

		Financial year		
	Note	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2015**
Cash flow from operating activities				
Profit before net financial income/expense		65,576	95,777	71,969
Adjustment for non-cash items	31	-445	15,373	3,565
Provisions		17,595	-	-
Interest received		816	67	104
Interest paid		-7,180	-7,552	-7,891
Income taxes paid		-18,637	-12,845	-11,881
Cash flow from operating activities before changes in working capital		**57,725**	**90,820**	**55,866**
Change in inventories		-8,232	-3,629	-11,328
Change in current receivables		-32,550	-41,768	-20,122
Change in current operating liabilities		20,464	36,093	14,989
Total changes in working capital		**-20,318**	**-9,304**	**-16,461**
Cash flow from operating activities		**37,407**	**81,516**	**39,405**
Cash flow from investing activities				
Investments in property, plant and equipment	17	-3,467	-6,382	-2,199
Investments in intangible assets	18	-728	-79	-580
Investments in subsidiaries	16,35	-	-	-19,842
Investments in financial assets	20	-453	-98	
Cash flow from investing activities		**-4,648**	**-6,559**	**-22,621**
Cash flow from financing activities				
Issue of new shares	26	2,282	-	2,745
Change in overdraft facility	27	26,363	-35,965	9,351
Borrowings	27	57,225	-	105,000
Transaction cost, loans		-572	-	-1,500
Repayment of loans	27	-35,795	-30,651	-20,912
Dividend		-90,062	-101	-100,066
Cash flow from financing activities	**32**	**-40,559**	**-66,717**	**-5,382**
Decrease/increase in cash and cash equivalents				
Cash flow for the year		-7,800	8,240	11,402
Foreign exchange difference in cash and cash equivalents		-850	840	-575
Cash and cash equivalents at beginning of year		39,856	30,776	19,949
Cash and cash equivalents at end of year		**31,206**	**39,856**	**30,776**

The notes on pages F-31 to F-53 are an integral part of these consolidated financial statements.

Notes

1 General information

NCAB Group AB (the parent company) and its subsidiaries (jointly the Group) is an international full service PCB supplier. The Group currently consists of 15 companies in Europe, the U.S. and China. No acquisitions were made in 2017.

The parent company is a limited company with registered office in Stockholm, Sweden. The address of the head office is Mariehällsvägen 37 A, SE-168 65 Bromma. The parent company is approximately 63 per cent owned by R12 Kapital AB. The remaining shares are owned by the Directors and management.

These consolidated financial statements were approved for publication by the Board of Directors on 14 March 2018.

Unless otherwise specifically indicated, all amounts refer to thousands of Swedish kronor (kSEK). Figures in parentheses refer to the previous year (2016 and 2015, respectively).

2 Summary of significant accounting policies

Significant accounting policies applied in preparing these consolidated financial statements are described in the following. Unless otherwise stated, these policies have been applied consistently for all the years presented.

2.1 Basis of preparation of financial statements

The consolidated financial statements for NCAB Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. The financial statements have been prepared using the cost method, except with regard to financial assets and liabilities (including derivatives and contingent considerations), which have been measured at fair value through profit or loss.

The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the Group's accounting policies. Areas which involve a high degree of judgement, are complex or where assumptions and estimates have a material impact on the consolidated financial statements are described in Note 4.

Changes to accounting policies and disclosures

New standards and interpretations which have not yet been applied by the Group

A number of new standards and interpretations will become effective for financial years beginning after 1 January 2017 and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the consolidated financial statements:

- IFRS 9 Financial Instruments deals with the classification, measurement and recognition of financial assets and liabilities, impairment of financial instruments and hedge accounting. It replaces those parts of IAS 39 which relate to the classification and measurement of financial instruments. The standard must be applied for financial years beginning on 1 January 2018. The Group has made an analysis of the effects of IFRS 9, which shows that the standard will not result in any material changes.
- IFRS 15 Revenue from Contracts with Customers regulates the accounting treatment of revenue. The principles on which IFRS 15 is based are intended to give users of financial statements additional valuable information about a company's revenue. Under the expanded disclosure requirements, information on the type of revenue, date of settlement, uncertainties associated with the recognition of revenue and cash flows attributable to the company's customer contracts must be disclosed. Under IFRS 15, revenue should be recognised when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, and the related SIC and IFRIC interpretations. IFRS 15 becomes effective from 1 January 2018. The Group's material revenue flows and contracts have been reviewed, and it has been established that control is mainly transferred at a point in time, when a good is delivered, which is consistent with the previous policy. The company will be applying the standard retrospectively, which will only affect disclosures in the coming interim report and annual report.
- IFRS 16 Leases. In January 2016, the IASB published a new lease standard that will replace IAS 17 *Leases* and the related interpretations. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognised in the balance sheet. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. For the lessor the accounting treatment will remain essentially unchanged. The standard is applicable for financial years beginning on or after 1 January 2019. Early application is permitted. The Group has not yet evaluated the effects of IFRS 16.

2.2 Consolidation

All entities over which the Group has control are classified as subsidiaries. The Group controls an entity when it is exposed to or has the right to a variable return on its investment in the entity and is able to influence the return through its interest in the entity. Subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of the date when the Group loses control.

The purchase method is applied in accounting for the Group's business combinations. The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets and liabilities incurred by the Group to previous owners of the acquired entity. The consideration also includes the fair value of all assets or liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Each contingent consideration payable by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of a contingent consideration that has been classified as a financial liability is accounted for in the income statement in accordance with IAS 39.

Intercompany transactions and balances, and unrealised gains and losses on transactions between Group companies are eliminated. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

2.3 Translation of foreign currency

(a) Functional currency and reporting currency

Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). Swedish kronor (SEK), the Group's reporting currency, are used in the consolidated financial statements.

(b) Transactions and balances
Transactions in foreign currency are translated to the functional currency at the exchange rates applying at the transaction date or the date when the items were restated. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at closing rates are recognised in the income statement.

Foreign exchange gains and losses attributable to loans and cash and cash equivalents are accounted for in the income statement as financial income or expense. All other foreign exchange gains and losses are recognised in the items Other operating income/Other external expenses in the income statement.

(c) Group companies
Results and financial position for all Group companies which have a different functional currency than the reporting currency are translated to the Group's reporting currency as follows:
(a) assets and liabilities for each of the balance sheets are translated at the closing rates;
(b) income and expenses for each of the income statements are translated at the average exchange rate (provided that this rate is a reasonable approximation of the cumulative effect of the exchange rates applying at the transaction date; otherwise, income and expenses are translated at the transaction date exchange rate), and
(c) all resulting foreign exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign business are treated as assets and liabilities in this business and translated at the closing rate. Foreign exchange differences are recognised in other comprehensive income.

2.4 Property, plant and equipment
Property, plant and equipment mainly comprise improvements to third party's property, and plant and equipment. All property, plant and equipment are stated at cost less depreciation. Cost includes expenditure directly attributable to the acquisition of the asset.

Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced component is removed from the balance sheet. All other forms of repairs and maintenance are expensed in the income statement in the periods in which they are incurred.

Land is not depreciated. Other assets are depreciated so as to allocate the cost down to the estimated residual value over the assets' estimated useful lives. Assets are depreciated on a straight-line basis as follows:

– improvements to third party's property	5 years
– plant	5 years
– computers	3 years
– other equipment	5 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where necessary.

An asset's carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds the estimated recoverable amount (Note 2.6).

Gains and losses from the sale of assets are determined by comparing the sale proceeds and carrying amount. The difference is recognised under Other operating income/Other external expenses – net in the income statement.

2.5 Intangible assets
(a) Goodwill
Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration, any non-controlling interest in the acquired entity and the fair value of the previous equity interest in the acquired entity at the acquisition date exceeds the fair value of identifiable acquired net assets.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated represents the lowest level in the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored at segment level.

Goodwill is tested for impairment annually, or more frequently if there are events or changes in circumstances which indicate potential impairment. The carrying amount of the cash-generating unit to which goodwill is allocated is compared with the recoverable amount, which is defined as the higher of value in use and fair value less selling expenses. Any impairment loss is expensed immediately and cannot be reversed.

(b) Customer relationships and other intangible assets
Other intangible assets that have been acquired separately are recognised at cost. Customer relationships and other intangible assets (such as trademarks and licences) that have been acquired through a business combination are recognised at fair value at the acquisition date. Customer relationships and other intangible assets have a definite useful life and are recognised at cost less accumulated amortisation. Trademarks and licences are amortised on a straight-line basis so that the cost is distributed over their estimated useful life of 5 years.

(c) Capitalised development costs for IT systems
Costs for maintenance of IT systems are expensed as incurred. Development costs directly attributable to the development and testing of identifiable and unique IT systems which are controlled by the Group are recognised as intangible assets when the following criteria are met:
- it is technically feasible to complete the IT system so that it will be available for use,
- the company intends to complete the IT systems for use or sale,
- there is reason to expect that the company will be able to use or sell the IT system,
- it can be shown that the IT system will generate probable future economic benefits,
- adequate technical, economic and other resources are available to complete the development of and use or sell the IT system, and
- the costs attributable to the IT system during its development can be reliably measured.

Directly attributable expenditure that are capitalised as part of IT systems include costs for employees plus a reasonable portion of indirect costs.

Other development expenditure which does not meet these criteria is expensed as incurred. Previously expensed development costs are not capitalised in later periods.

IT systems development costs recognised as assets are amortised over the estimated useful life, which does not exceed 3 years.

2.6 Impairment of non-financial assets

Intangible assets with indefinite useful lives or intangible assets which are not yet available for use, are not amortised but tested annually for impairment. Assets which are depreciated or amortised are tested for impairment when an event or change of circumstance indicates that the carrying amount may not be recoverable. The difference between the carrying amount and recoverable amount is recognised as an impairment loss. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use. In testing for impairment, assets are grouped to the lowest levels at which there are essentially independent identifiable cash flows (cash-generating units). For assets (other than goodwill) which have previously been written down, an impairment test is made at each balance sheet date to determine if a reversal is required.

2.7 Financial assets

Classification

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial asset was acquired. The classification of financial assets is determined by management upon initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are held for trading. A financial asset is classified in this category if it is acquired primarily for the purpose of being sold in the short term. Derivatives are classified as held for trading if they have not been identified as hedges. The Group does not apply hedge accounting. Assets in this category are classified as current assets if they are expected to be settled within twelve months; if not, they are classified as non-current assets. The Group's financial assets at fair value through profit or loss comprise derivatives in the balance sheet.

Loans and receivables

Loans and receivables are financial assets which are not derivatives, have fixed or determinable payments, and are not listed on an active market. They are included in current assets, with the exception of items maturing later than twelve months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables consist of the following items in the balance sheet: Non-current financial assets (deposits), Trade and other receivables (Note 2.11), Cash and cash equivalents (Note 2.12), as well as Other current receivables, and Prepaid expenses and accrued income insofar as these refer to financial instruments.

Recognition and measurement

Purchases and sales of financial assets are recognised at the transaction date, which is the date when the Group undertakes to buy or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs. This applies to all financial assets which are not measured at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value while the related transaction costs are recognised in the income statement. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with ownership. After the acquisition date loans and receivables are stated at amortised cost by applying the effective interest method.

Fair value gains and losses for the category financial assets at fair value through profit or loss are recognised in the periods when they arise in the items Other operating income/Other external expenses in the income statement.

2.8 Offset of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and an intention to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not depend on future events, and must be legally binding for the company and the counterparty both in case of normal business activities and in case of default, insolvency or bankruptcy.

2.9 Impairment of financial assets

Assets at amortised cost

At the end of each reporting period, the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or group of financial assets is impaired and is written down only if there is objective evidence of impairment as a consequence of one or several events occurring after the initial recognition of the asset ("loss event") and this event, or these events, has an impact on the estimated future cash flows for the financial asset or group of financial assets that can be reliably measured.

Objective evidence of impairment includes, for example, indications of significant financial difficulties of a debtor or group of debtors, non-payment of or arrears on the payment of interest or principal, a growing likelihood that the borrower will enter bankruptcy or reorganise, or observable information pointing to a measurable decrease in estimated future cash flows, such as changes in arrears or other financial circumstances correlated with credit losses.

For the loans and receivables category, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses which have not occurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is written down and the impairment loss is recognised in the consolidated income statement.

If the impairment is reduced in a subsequent period and this can objectively be attributed to an event occurring after recognition of the impairment loss (such as an improvement in a debtor's creditworthiness), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method (FIFO). Net realisable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in operating activities. Trade receivables are initially stated at fair value and subsequently at amortised cost using the effective interest method, less any provisions for impairment.

2.12 Cash and cash equivalents

In the balance sheet as well as the statement of cash flows, cash and cash equivalents comprise cash, bank deposits and other short-term investments maturing within three months of the acquisition date.

2.13 Share capital and earnings per share
Ordinary shares are classified as equity. Issued preference shares are also classified as equity unless they are mandatorily redeemable. Transaction costs which are directly attributable to the issue of new ordinary shares or warrants are recognised, net of tax, in equity as a deduction from the proceeds of the issue.

Earnings per share before dilution are calculated by dividing earnings attributable to shareholders of the parent by a weighted average number of outstanding ordinary shares and preference shares during the period.

Earnings per share after dilution are calculated by adjusting the weighted average number of outstanding ordinary shares and preference shares for the dilutive effect of all potential ordinary shares and preference shares. The parent company has one category of potential ordinary shares with a dilutive effect: warrants. For warrants, a calculation is made of the number of shares that could have been purchased at fair value (defined as the average annual market price of the parent company's shares) for an amount equal to the monetary value of the subscription rights attaching to the outstanding warrants. The number of shares calculated in this manner is compared with the number of shares that would have been issued on the assumption that the warrants are exercised.

2.14 Trade payables
Trade payables are obligations to pay for goods or services purchased from suppliers in operating activities. Trade payables are initially stated at fair value and subsequently at amortised cost by applying the effective interest method.

2.15 Borrowings
Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Provisions
Provisions for legal claims, warranties and measures of reinstatement are recognised when the Group has a legal or constructive obligation arising from past events, it is probable than that an outflow of resources will be required to settle the obligation, and the amount has been reliably measured. No provisions are made for future operating losses. If a number of similar obligations exist, the probability that an outflow of resources will be required is determined for the settlement of the group of obligations as a whole. A provision is recognised also when there is a low probability of an outflow of resources in respect of a particular item in this group of obligations.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except when the tax refers to items which are recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in those countries where the parent company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts which will probably be payable to the tax authority.

Deferred tax is recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. A deferred tax liability is not recognised if it is incurred as a result of initial recognition of goodwill. Deferred tax is also not recognised if it is incurred as a result of a transaction which constitutes the initial recognition of an asset or liability that is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred income tax is calculated by applying tax rates (and tax laws) that have been adopted or announced at the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax liability is calculated for taxable temporary differences on investments in subsidiaries, except for deferred tax liabilities when the time at which the temporary difference is reversed can be decided by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets related to deductible temporary differences arising from investments in subsidiaries are recognised only to the extent that it is probable that the temporary difference will be reversed in future and that there will be taxable profits against which the deduction can be offset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of set-off for the tax assets and liabilities concerned, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and refer to either the same taxable entity or different taxable entities, and there is an intention to settle the balances on a net basis.

2.18 Employee benefits
The Group companies have defined contribution pension plans. Defined contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

2.19 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and comprises the amounts received for sold goods less discounts, returns and value-added tax.

The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's businesses, as described in the following.

Sale of goods
The Group sells printed circuit boards. Revenue from the sale of printed circuit boards is recognised when a Group company has delivered a product to a customer. Customers do not have the right to return goods which are free from defects but have the right to replacement deliveries for any defective products. Delivery is considered to occur when the products have been sent to the designated place, at which point the risks of obsolescence and loss have also been transferred to the customer.

Printed circuit boards are sometimes sold at a bulk discount. Sales revenue is recognised based on the price indicated in the sales contract, net of estimated bulk discounts and returns at the time of sale. Accumulated experience is used to assess and make provisions for discounts and returns. The assessment of bulk discounts is based on expected annual purchases.

Third-party currencies

IAS 39 provides specific guidance for an embedded currency derivative in a host contract that is not a financial instrument (such as a contract for the purchase or sale of a non-financial item where the price is denominated in a foreign currency). The embedded currency derivative should not be separated from the host contract if it is closely related to its host. A currency derivative is considered closely related to its host if payments are denominated in the functional currency of the buyer or seller, acquired or delivered goods or services are routinely denominated in the currency in commercial transactions around the world or the currency is commonly used in contracts to buy or sell non-financial items in the economic environment in which the transaction takes place. The Group has embedded derivatives in the form of third-party currencies in sales contracts. The effects of third-party currencies are considered to have only a marginal impact on the income statement and balance sheet, and have therefore not been taken into account. The effects of third-party currencies are assessed on a quarterly basis.

2.20 Interest income

Interest income is recognised using the effective interest method.

2.21 Dividend income

Dividend income is recognised when the right to receive payment has been established.

2.22 Leases

The Group leases certain assets for which a significant portion of the risks and benefits of ownership are retained by the lessor. These contracts are classified as operating leases. Payments made during the lease term (after deducting for any incentives from the lessor) are recognised as an expense in the income statement on a straight-line basis over the lease term.

2.23 Dividends

Dividend payments to shareholders of the parent company are recognised as a liability in the consolidated financial statements in the period in which the payment is approved by the shareholders of the parent company.

2.24 Segment reporting

Segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of segments. In the Group, this function has been identified as the Chief Executive Officer, who makes strategic decisions. The Group's operations are evaluated based on geography. The following four segments have been identified: the Nordic, Europe, the U.S.A. and East.

3 Financial risk management

3.1 Financial risk factors

Through its activities, the Group is exposed to a wide range of financial risks: market risk (currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and strives to minimise potential adverse effects on the Group's financial results. The Group uses derivatives to financially hedge certain risk exposures but does not apply hedge accounting.

Risk management is handled by a central finance department in accordance with policies adopted by the Board of Directors. The accounting function identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board of Directors prepares written policies for the Group's general risk management as well as for specific areas, such as currency risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments, and the investment of excess liquidity.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures, mainly from the US dollar (USD) and euro (EUR). Currency risk arises through future business transactions, recognised assets and liabilities, and net investments in foreign operations.

Currency risks also arise when future business transactions are expressed in a currency that is not the functional currency of the unit. The Group's goods purchases are mainly made in USD. To manage the currency risk arising from USD outflows, the Group has chosen also to sell goods in USD when possible. For the periods covered by the consolidated financial statements, no embedded derivatives for third-party currencies have been recognised separately due to the small amounts involved.

Instead of hedging the currency exposure of cash flows, the Group's risk management policy is, as far as possible, to price and sell goods in USD, which is also the currency used for all purchases. Approximately 85 per cent of the Group's pricing is in USD and around 75 per cent of the Group's billing is in USD. Goods purchases and shipping are 95 per cent denominated in USD.

The Group has a number of investments in foreign businesses whose net assets are exposed to currency risks. Currency exposure arising from the net assets in the Group's foreign businesses is mainly managed through borrowings in the foreign currencies concerned.

If the Swedish krona had weakened/strengthened by 10 per cent against the USD, with all other variables held constant, the restated annual profit at 31 December 2017 would have been kSEK 6,300 (5,000/4,800) lower/higher, largely as a result of gains/losses on translation of trade receivables and trade payables denominated in USD, as well as foreign exchange differences on translation of USD borrowings.

If the Swedish krona had weakened/strengthened by 10 per cent against the EUR, with all other variables held constant, the restated profit after tax at 31 December 2017 would have been kSEK 2,000 (1,500/2,800) lower/higher, largely as a result of gains/losses on translation of trade receivables and trade payables denominated in EUR, as well as foreign exchange differences on translation of EUR borrowings.

The majority of the Group's purchases and billing are in USD, which means that a strengthening of the USD leads to an improved gross profit while a weakening of the USD leads to a reduced gross profit.

(ii) Cash flow interest rate risk and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowing. Variable interest rate borrowings expose the Group to cash flow interest rate risk, which is partly neutralised by cash assets bearing variable interest rates. Fixed interest rate borrowings expose the Group to fair value interest rate risk. The Group's policy is to have variable interest rate borrowings. In 2017 as well as in 2016 and 2015, the Group's variable interest rate borrowings consisted mainly of loans in Swedish kronor and US dollars.

The Group analyses its exposure to interest rate risk dynamically. Various scenarios are simulated, and account is taken of refinancing, the rolling-over of existing loans and alternative financing. Based on these scenarios, the Group calculates the impact on earnings of a specified change in interest rates. For each simulation, the same change in interest rates is used for all currencies. The scenarios are simulated only for those liabilities which constitute the largest interest-bearing positions.

The executed simulations show that the restated effect on earnings of a change of 1.0 per cent would be a maximum increase of kSEK 1,650 (1,400/1,500) or decrease of kSEK 1,650 (1,400/1,500), respectively. The simulation is performed on a quarterly basis to verify that the maximum possible loss is within the limits defined by management.

Based on the various scenarios, the Group manages the cash flow interest rate risk by making less use of interest rate swaps which convert variable-rate debt to fixed-rate debt. The Group normally takes out long-term loans at variable interest rates.

If interest rates on borrowings in Swedish kronor at 31 December 2017 had been 100 basis points (1.0%) higher/lower, with all other variables held constant, the estimated profit after tax for the financial year would have been kSEK 600 (700/800) lower/higher, mainly as an effect of higher/lower interest expenses for borrowings at variable rates.

If interest rates on borrowings in USD at 31 December 2017 had been 100 basis points (1.0%) higher/lower, with all other variables held constant, the estimated profit after tax for the financial year would have been kSEK 1,000 (500/400) lower/higher, mainly as an effect of higher/lower interest expenses for borrowings at variable rates.

(b) Credit risk

Credit risk is managed at Group level, with the exception of credit risk related to outstanding trade receivables. Each Group company is responsible for monitoring and assessing the credit risk for each new customer before offering standard terms of payment and delivery. Credit risk arises from cash and cash equivalents, derivatives, and deposits with banks and financial institutions as well as credit exposures to customers. Only banks and financial institutions that have received a credit rating of "B" or higher from an independent rating agency are accepted. Individual risk limits are defined based on internal or external credit assessments in accordance with the limits set by the Board. The Group's subsidiaries insure credit risk through a credit insurance company. The use of a credit insurance company enables us to make a better proactive selection of new customers and to monitor our existing customers effectively. The use of credit limits is monitored regularly.

No credit limits were exceeded during the reporting period and management does not expect any losses due to non-payments from these counterparties.

(c) Liquidity risk

Cash flow forecasts are prepared by the Group's operating companies and aggregated at Group level. Rolling forecasts for the Group's liquidity are monitored continually to ensure that the Group has sufficient cash to meet its day-to-day operational needs while maintaining sufficient unused credit facilities to ensure that it does not breach borrowing limits or loan covenants (where applicable) on any of its loan facilities. Such forecasts take account of the Group's plans for ensuring compliance with loan covenants and internal balance sheet-based earnings measures.

Excess liquidity in the Group's operating companies exceeding that portion which is required to manage working capital requirements is transferred to the parent company, which invests the excess liquidity in interest-bearing current accounts, term deposits, money market instruments and marketable securities, depending on what type of instrument has an appropriate maturity or is sufficiently liquid to meet the requirements determined by the aforementioned forecasts. At the balance sheet date, the company had liquid assets of kSEK 31,206 (39,856/30,776) and an undrawn overdraft facility of kSEK 36,447 (60,379/23,514) that can quickly be converted into cash in order to manage the liquidity risk.

The following table shows an analysis of the Group's non-derivative financial liabilities and net-settled derivatives that are financial liabilities by remaining maturity from the balance sheet date. Derivatives that are financial liabilities are included in the analysis if their contractual maturities are essential for understanding the timing of future cash flows. The amounts indicated in the table are the contractual, undiscounted cash flows.

31 December 2017	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings	123,163	-	-	-
Overdraft facility (payable on demand)	41,901	-	-	-
Trade payables	192,893	-	-	-
31 December 2016				
Borrowings	7,805	22,309	31,220	47,225
Overdraft facility (payable on demand)	19,221	-	-	-
Trade payables	174,445	-	-	-
31 December 2015				
Borrowings	7,598	21,276	30,392	76,320
Overdraft facility (payable on demand)	55,186	-	-	-
Derivatives	-	18	-	-
Trade payables	149,113	-	-	-
Additional consideration	1,250	-	-	-

Due to the provisions for unforeseen costs in the tax dispute in Russia, the company was unable to meet the covenant relating to equity/assets ratio with the bank as at the closing date. In accordance with IFRS, all bank loans have therefore been classified as current liabilities as at the closing date. After the end of the reporting period, the company has received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first and second quarters of 2018. The bank has thus waived its right to early redemption, and as of the first quarter of 2018 the bank loans will therefore again be accounted for as non-current liabilities.

3.2 Management of capital

The Group's goal in respect of capital structure is to secure its ability to continue its operations with a view to continuing to generate a return for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the costs of capital down.

To maintain, or adjust, its capital structure, the Group may change the dividend that is paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce its liabilities.

Like other companies in the industry, the Group assesses its capital based on the debt/equity ratio. This key ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (comprising the items Short-term borrowings and Long-term borrowings in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as Equity in the consolidated financial statements plus net debt.

The Group's strategy is to maintain a debt/equity ratio of 40 to 60 per cent and a credit rating of BB. The Group's BB credit rating was maintained throughout the period. For the reported periods, the debt/equity ratio has been as follows:

	2017	2016	2015
Total borrowings (Note 27)	165,064	127,780	190,772
Less: cash and cash equivalents	-31,206	-39,856	-30,776
Net debt	133,858	87,924	159,996
Total equity	106,383	159,692	81,143
Total capital	240,241	247,616	241,139
Debt/equity ratio	**56%**	**36%**	**66%**

3.3 Calculation of fair value

The table below shows financial instruments at fair value based on the classification in the fair value hierarchy. The levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly in the form of quoted prices or indirectly, i.e. derived from quoted prices (Level 2)
- Inputs for the asset or liability which are not based on observable market data (non-observable inputs) (Level 3)

The following table shows the Group's financial assets and liabilities at fair value at each balance sheet date.

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Assets			
Financial assets at fair value through profit or loss			
Derivatives held for trading			
- Currency derivatives (Level 2)	-	5	-
Total assets	**0**	**5**	**0**

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Liabilities			
Financial liabilities at fair value through profit or loss			
Derivatives held for trading			
- Currency derivatives (Level 2)			
- Interest rate derivatives (Level 2)	-	-	18
Total Level 2 liabilities	**0**	**0**	**18**
Additional consideration (Level 3)	-	-	1,250
Total Level 3 liabilities	**0**	**0**	**1,250**
Total liabilities	**0**	**0**	**1,268**

No transfers between the levels were made during the year.

(a) Financial instruments in Level 2

The fair values of financial instruments which are not traded in an active market (e.g. OTC derivatives) are determined with the help of valuation techniques. Market information is used to the greatest extent possible if it is available while company-specific information is used to the smallest extent possible. If all significant inputs required for the fair value measurement of an instrument are observable, the instrument belongs to Level 2.

Specific measurement techniques used to measure financial instruments include

- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves
- The fair value of currency futures contracts is determined by reference to prices of currency futures on the balance sheet date and by discounting the resulting value to present value

(b) Financial instruments in Level 3

The following table shows changes for the conditional consideration in connection with business combinations that are classified in Level 3

	2017	2016	2015
Opening balance, 1 January	**0**	**1,250**	**19,525**
Settlement, M-Wave	-	-	-17,835
Gains recognised income statement, M-Wave	-	-	-1,690
Acquisition, Ulf Andersson Elektronik	-	-	1,250
Settlement, Ulf Andersson Elektronik	-	-1,250	-
Closing balance, 31 December	**0**	**0**	**1,250**

See Note 35 for information on the measurement of contingent considerations.

4 Critical accounting estimates and judgements

Estimates and judgements are reviewed on an ongoing basis, and are based on historical experiences and other factors, including expectations of future events that are deemed reasonable under existing circumstances.

4.1 Critical accounting estimates and judgements

The Group makes estimates and assumptions about the future. The resulting accounting estimates will by definition seldom equal the related actual results. Estimates and assumptions which involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are addressed below.

Goodwill impairment testing

Each year, the Group tests goodwill for impairment in accordance with the accounting policy described in Note 2. Recoverable amounts for cash-generating units have been determined by calculating value in use. For these calculations, certain estimates need to be made (Note 18).

The carrying amount of goodwill is kSEK 129,385 (133,330/129,933).

Valuation of tax loss carry-forwards

At 31 December 2017, the Group has recognised deferred tax assets of kSEK 750 (1,858/3,402) arising from unused tax losses for the year and previous years. These tax losses have no final expiration date. A deferred tax asset is recognised for tax losses only to the extent that it is probable that these can be used to offset future taxable profits and taxable temporary differences.

Each year, the Group also assesses whether there is reason to recognise new deferred tax assets in respect of tax losses for the year or previous years. At 31 December 2017, the Group had unused tax losses of kSEK 32,999 (28,783/38,745), which represent unrecognised deferred tax assets of kSEK 9,757 (8,585/11,037) with no final expiration date. It is uncertain whether these will be used to offset future taxable profits, and no deferred tax asset arising from these tax losses has therefore been offset against taxable temporary differences.

Further information on unused tax losses and deferred tax assets is provided in Note 28.

Capitalised development costs

The Group has capitalised development costs that are recognised as intangible assets. After initial recognition, an impairment test is made as soon as there are indications that the asset has been impaired. The Group makes estimates of the useful life in connection with the initial recognition. The useful life is tested annually and adjusted when required. The Group's capitalised development costs are amortised over 3 years.

At 31 December 2017, the Group had capitalised development costs of kSEK 1,308 (606/1,591).

Measurement of trade receivables

At the closing date, the Group had trade receivables of kSEK 254,347 (231,118/194,036). Determining impairment involves a significant and difficult judgement. At year-end, an estimate of doubtful debts is made based on historical outcomes for the past years, when the level of bad debts has been low. More information about doubtful debts is provided in Note 21. The majority of the Group's trade receivables are covered by insurance.

5 Breakdown of net sales

Net sales by geographic location of customers.

	2017	2016	2015
The U.S.	282,224	265,625	282,250
Sweden	181,868	165,176	181,532
Russia	121,481	104,288	98,008
China	106,793	76,022	60,381
Germany	104,866	87,500	81,656
United Kingdom	100,994	75,979	66,721
France	65,756	50,882	35,038
Estonia	56,129	36,877	32,183
Poland	50,286	51,165	56,578
Finland	43,201	39,692	35,914
Norway	39,670	34,966	51,031
Canada	35,506	24,119	20,310
Denmark	30,258	27,018	22,494
Spain	29,533	25,644	27,225
Romania	25,031	21,192	21,574
Other markets	126,445	132,573	127,399
Total	**1,400,039**	**1,218,719**	**1,200,296**

6 Segment

Description of segments and principal activities

In NCAB Group, the CEO is the Group's chief operating decision maker. The segments are based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. NCAB Group has identified four segments, which also constitute reportable segments in the Group's operations:

Nordic

Provides a broad range of PCBs from NCAB's companies in Sweden, Norway, Denmark, Finland and Estonia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Europe

Provides a broad range of PCBs from NCAB's companies in the UK, Poland, France, Italy, Germany and Spain. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

U.S.A.

Provides a broad range of PCBs from NCAB's companies in the U.S.. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

East

Provides a broad range of PCBs from NCAB's companies in Macedonia, China and Russia. The PCBs are purchased from external suppliers, mainly in China. Most of the PCBs are of the high-mix-low-volume (HMLV) type, i.e. specialised products that are produced in small quantities. NCAB has a local presence through technicians and customer support staff to ensure that its customers receive support throughout the process.

Revenue

Revenue is generated from a large number of customers across all segments. There are no sales of goods between segments. Minor amounts may be invoiced for freight and services, which are provided on market terms. The revenue from external parties reported to the CEO is measured in the same way as in the income statement.

Net sales and earnings of segments

	Nordic			Europe			U.S.A.			East			Central functions			Group		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**	**2017**	**2016**	**2015**
Net sales	368.2	328.3	328.3	507.5	436.6	420.2	261.0	251.2	263.1	262.8	204.0	189.7	0.6	-1.4	-	1,400.1	1,218.7	1,200.3
Adjusted EBITA	**47.2**	**47.9**	**42.4**	**29.8**	**29.7**	**16.6**	**12.3**	**7.4**	**13.8**	**27.8**	**19.4**	**6.5**	**-3.4**	**-4.1**	**-3.3**	**113.7**	**100.3**	**76.0**
Adj. EBITA margin, %	12.8	14.6	12.9	5.9	6.8	4.0	4.7	2.9	5.2	10.6	9.5	3.4	-	-	-	8.1	8.2	6.3
Extraordinary items	-	-	-	-	-	-	-	-	-	-31.9	-	-	-11.6	-	-	-43.5	-	-
EBITA	**47.2**	**47.9**	**42.4**	**29.8**	**29.7**	**16.6**	**12.3**	**7.4**	**13.8**	**-4.1**	**19.4**	**6.5**	**-15.0**	**-4.1**	**-3.3**	**70.2**	**100.3**	**76.0**
EBITA margin, %	12.8	14.6	12.9	5.9	6.8	4.0	4.7	2.9	5.2	-1.6	9.5	3.4	-	-	-	5.0	8.2	6.3
Amortis. intangible assets																-4.6	-4.6	-4.0
Operating profit																**65.6**	**95.8**	**72.0**
Operating margin, %																4.7	7.9	6.0
Net financial expense																-5.6	-13.3	-4.8
Profit before tax																60.0	82.5	67.2

7 Other operating income

	2017	**2016**	**2015**
Operating foreign exchange gains		9,292	11,950
Operating foreign exchange losses		-4,059	-11,911
Income from acquisition, M-Wave			1,690
Other income	246	1,994	669
Total	**246**	**7,227**	**2,398**

The balance of operating foreign exchange gains/losses was negative in 2017 and has been recognised as other operating expenses, see Note 11.

8 Other external expenses

	2017	**2016**	**2015**
Cost of premises	21,511	18,899	17,172
Travel expenses	15,916	14,514	12,396
External sales commission	6,752	6,786	6,913
Marketing	7,886	9,085	12,383
IT	13,344	12,031	11,889
Other	27,477	24,306	21,239
Total	**92,886**	**85,621**	**81,992**

9 Employee benefits, etc.

	2017	2016	2015
Salaries and benefits	161,124	139,348	133,337
Social security contributions	24,288	20,691	16,272
Retirement benefit costs – defined contribution plans	7,836	6,087	6,181
Total employee benefits	**193,248**	**166,126**	**155,790**

Salaries and other benefits:

	2017		2016		2015	
	Salaries and other benefits (of which bonuses)	Retirement benefit costs	Salaries and other benefits (of which bonuses)	Retirement benefit costs	Salaries and other benefits (of which bonuses)	Retirement benefit costs
Directors, CEOs and other senior executives	11,143 (3,598)	784	9,607 (2,101)	915	10,245 (4,560)	1,116
Other employees	149,981	7,052	129,741	5,172	123,092	5,065
Total, Group	**161,124**	**7,836**	**139,348**	**6,087**	**133,337**	**6,181**

Average number of employees:

	2017		2016		2015	
	Average number of employees	Of which, women	Average number of employees	Of which, women	Average number of employees	Of which, women
Sweden	30	12	29	11	30	11
Denmark	4	2	4	2	4	2
Norway	8	2	8	2	8	2
Finland	13	6	12	5	12	5
Germany	26	6	22	6	21	6
United Kingdom	28	11	25	10	20	9
Poland	10	8	10	7	10	7
France	14	6	13	5	10	5
Spain	7	2	7	2	6	3
Italy	3	1	0	0	0	0
Macedonia	1	0	1	0	3	2
Russia	38	18	38	17	32	18
The U.S.	53	26	52	24	47	23
China	90	48	83	42	73	34
Hong Kong	3	1	3	1	4	1
Total, Group	**329**	**148**	**307**	**134**	**280**	**127**

Gender distribution in the Group (incl. subsidiaries) for Directors and other senior executives:

	2017		2016		2015	
	Number at balance sheet date	Of which, men	Number at balance sheet date	Of which, men	Number at balance sheet date	Of which, men
Directors	6	4	4	4	4	4
CEOs and other senior executives	7	5	7	5	7	5
Total, Group	**13**	**9**	**11**	**9**	**11**	**9**

10 Audit fees

	2017	2016	2015
PwC			
– Audit engagement	1,134	470	498
– Audit services in addition to audit engagement	138	60	402
– Tax advisory services	56	18	8
– Other services	2,254	256	485
Total	**3,582**	**804**	**1,393**
Other auditors			
– Audit engagement	634	801	785
– Audit services in addition to audit engagement	107	22	265
– Tax advisory services	105	-	449
– Other services	148	35	269
Total	**994**	**858**	**1,768**
Total, Group	**4,576**	**1,662**	**3,161**

11 Other operating expenses

Other operating expenses are non-recurring extraordinary items, and net operating foreign exchange loss

	2017	2016	2015
Settlement with Russian tax authority, incl. advisory costs	31,880	-	-
IPO preparation costs	11,624	-	-
Operating foreign exchange gains	-1,890	-	-
Operating foreign exchange losses	3,731	-	-
Total	**45,345**	**0**	**0**

12 Financial income and expense

	2017	2016	2015
Interest expense:			
– bank loans	-5,022	-4,727	-5,820
Foreign exchange gains on financing activities	-	5,689	-
Foreign exchange losses on financing activities	-	-11,486	-
Other financial expense	-2,158	-2,826	-2,071
Total financial expense	**-7,180**	**-13,350**	**-7,891**
Financial income:			
– interest income from short-term bank deposits	620	37	88
– interest rate swaps	-	-	-18
Foreign exchange gains on financing activities	49,425	-	74,422
Foreign exchange losses on financing activities	-48,685	-	-71,377
Other financial income	196	30	16
Financial income	**1,556**	**67**	**3,131**
Net financial expense	**-5,624**	**-13,283**	**-4,760**

13 Income tax

	2017	2016	2015
Current tax:			
Current tax on profit for the year	-17,814	-15,617	-11,958
Adjustment relating to prior years	-	-105	-
Total current tax	**-17,814**	**-15,722**	**-11,958**
Deferred tax (Note 28)	-942	-1,709	-939
Effect of new tax rate, the U.S.	-835	-	-
Deferred tax arising from unused tax losses	-	-	483
Total deferred tax	**-1,777**	**-1,709**	**-456**
Income tax	-19,591	-17,431	-12,414

The income tax on the consolidated profit before tax differs from the theoretical amount that would have resulted from the use of the Swedish tax rate for the results of the consolidated companies as follows:

	2017	2016	2015
Profit before tax	**59,952**	**82,494**	**67,209**
Income tax calculated at tax rate in Sweden (22%)	-13,189	-18,149	-14,786
Effect of foreign tax rates	3,442	673	406
Effect of new tax rate, the U.S.	-835	-	-
Tax effects of:			
Non-taxable income	191	67	250
Non-deductible expenses	-8,028	-794	-370
Use of previously unrecognised tax losses	1,193	2,836	2,832
Tax losses for which no deferred tax asset has been recognised	-2,365	-1,959	-746
Adjustment relating to prior years	-	-105	-
Tax expense	**-19,591**	**-17,431**	**-12,414**

The weighted average tax rate was 19.7 per cent (20.5/21.7).

14 Net foreign exchange difference

Foreign exchange differences have been recognised in the income statement as follows:

	2017	2016	2015
Net other operating income (Note 7)	-	5,233	39
Other operating expenses	-1,841	-	-
Net financial income/expense (Note 12)	740	-5,797	3,026
Total	**-1,101**	**-564**	**3,065**

15 Earnings per share

Earnings per share before dilution are calculated by dividing earnings attributable to shareholders of the parent by a weighted average number of outstanding ordinary shares and preference shares during the period.

Earnings per share after dilution are calculated by adjusting the weighted average number of outstanding ordinary shares and preference shares for the dilutive effect of all potential ordinary shares and preference shares. The parent company has one category of potential ordinary shares with a dilutive effect: warrants. For warrants, a calculation is made of the number of shares that could have been purchased at fair value (defined as the average annual market price of the parent company's shares) for an amount equal to the monetary value of the subscription rights attaching to the outstanding warrants. The number of shares calculated in this manner is compared with the number of shares that would have been issued on the assumption that the warrants are exercised.

As the company's preference shares, in addition to interest payments, entitle the holder to dividends on the same terms as for ordinary shares, the total number of shares (i.e. ordinary shares and preference shares) is used in calculating earnings per share.

The preference shares entitle the holder to annual interest of 13 per cent of the original value.

	2017	2016	2015
Profit for the period	40,361	65,063	54,795
Interest on preference shares	-3,900	-3,900	-3,900
Average total number of shares before dilution	1,506,895	1,496,779	1,479,716
Earnings per share before dilution, SEK	24.20	40.86	34.40
Average total number of shares after dilution	1,532,992	1,529,400	1,515,213
Earnings per share after dilution, SEK	23.78	39.99	33.59

16 Investments in subsidiaries

At 31 December 2017, the Group had the following subsidiaries:

Name	County of registration and operation	Percentage of ordinary shares owned directly by the parent company	Percentage of ordinary shares owned by the Group
NCAB Group Germany GmbH	Germany	100%	
NCAB Group Asia Ltd.	Hong Kong	100%	
NCAB Group Sweden AB	Sweden	100%	
NCAB Group Norway AS	Norway	100%	
NCAB Group Denmark ApS	Denmark	100%	
NCAB Group Finland Oy	Finland	100%	
NCAB Group Iberia S.A.	Spain	100%	
NCAB Ericon Pte	Russia	100%	
NCAB Group Polska Sp. z o.o.	Poland	100%	
NCAB Group ShenZhen Co Ltd.	Hong Kong		100%
NCAB Group Asia Ltd.	United Kingdom	100%	
NCAB Macedonia A.D.	Macedonia	70%	
NCAB Group France SAS	France	100%	
NCAB Group USA Inc.	The U.S.	100%	
NCAB Group Italy S.r.l.	Italy	100%	
NCAB Group Estonia Oü	Estonia	100%	

All subsidiaries are consolidated in the Group. The voting interest in subsidiaries which are owned directly by the parent company does not differ from the owned share of ordinary shares.

17 Property, plant and equipment

Improvements to third party's property

	2017	2016	2015
Opening balance			
Cost	4,615	3,778	3,148
Accumulated depreciation	-3,518	-3,056	-2,611
Carrying amount	1,097	722	537
Period			
Foreign exchange differences	-3	32	14
Purchases	1,174	710	503
Sales and disposals	-64	26	
Depreciation	-349	-393	-332
Closing balance			
Cost	5,146	4,615	3,778
Accumulated depreciation	-3,291	-3,518	-3,056
Carrying amount	1,855	1,097	722

Plant and equipment:

	2017	2016	2015
Opening balance			
Cost	21,452	14,923	15,240
Accumulated depreciation	-14,840	-11,812	-12,244
Carrying amount	6,612	3,111	2,996
Period			
Foreign exchange differences	-672	193	92
Purchases	2,573	5,672	1,696
Sales and disposals	-39	-22	-122
Depreciation	-2,031	-2,342	-1,551
Reclassification	-1,603		
Closing balance			
Cost	17,981	21,452	14,923
Accumulated depreciation	-13,063	-14,840	-11,812
Carrying amount	4,918	6,612	3,111

18 Intangible assets

	Goodwill	Capitalised development costs	Other intangible assets	Total
1 January 2015				
Cost	125,915	10,090	19,915	155,920
Accumulated amortisation and impairment		-7,336	-1,795	-9,131
Carrying amount	**125,915**	**2,754**	**18,120**	**146,789**
Financial year 2015				
Carrying amount at beginning of year	125,915	2,754	18,120	146,789
Foreign exchange differences	2,227	1,056	796	4,079
Added		580	-	580
Acquisition of subsidiaries (Note 35)	1,791	-	1,000	2,791
Sales and disposals	-	-291	-	-291
Amortisation	-	-2,508	-4,038	-6,546
Carrying amount at end of year	**129,933**	**1,591**	**15,878**	**147,402**
Carrying amount				
Cost	129,933	11,435	21,711	163,079
Accumulated amortisation and impairment	-	-9,844	-5,833	-15,677
31 December 2015	**129,933**	**1,591**	**15,878**	**147,402**

	Goodwill	Capitalised development costs	Other intangible assets	Total
Carrying amount at beginning of year	129,933	1,591	15,878	147,402
Foreign exchange differences	3,397	112	1,049	4,558
Added	-	79	-	79
Amortisation	-	-1,176	-4,662	-5,838
Carrying amount at end of year	**133,330**	**606**	**12,265**	**146,201**
Carrying amount				
Cost	133,330	12,048	24,198	169,576
Accumulated amortisation and impairment	-	-11,442	-11,933	-23,375
31 December 2016	**133,330**	**606**	**12,265**	**146,201**
Financial year 2017				
Carrying amount at beginning of year	133,330	606	12,265	146,201
Foreign exchange differences	-3,945	-34	-923	-4,902
Added	-	727	1	728
Reclassification	-	1,603	-	1,603
Sales and disposals	-	-	-1	-1
Amortisation	-	-1,594	-4,566	-6,160
Carrying amount at end of year	**129,385**	**1,308**	**6,777**	**137,470**
Carrying amount				
Cost	129,385	14,797	24,198	168,380
Accumulated amortisation and impairment	-	-13,489	-17,421	-30,910
31 December 2017	**129,385**	**1,308**	**6,777**	**137,470**

Goodwill by cash-generating unit

31 Dec 2017	Carrying amount at beginning of year	Added	Other adjustments (foreign exchange effect)	Carrying amount at end of year
Sweden	20,400	-	-	20,400
Norway	7,197	-	-	7,197
Finland	14,223	-	-	14,223
The U.S.	81,119	-	-3,945	77,174
Other	10,391	-	-	10,391
Total	**133,330**	**0**	**-3,945**	**129,385**

31 Dec 2016	Carrying amount at beginning of year	Added	Other adjustments (foreign exchange effect)	Carrying amount at end of year
Sweden	20,400	-	-	20,400
Norway	7,197	-	-	7,197
Finland	14,223	-	-	14,223
The U.S.	77,722	-	3,397	81,119
Other	10,391	-	-	10,391
Total	**129,933**	**0**	**3,397**	**133,330**

31 Dec 2015	Carrying amount at beginning of year	Added	Other adjustments (foreign exchange effect)	Carrying amount at end of year
Sweden	18,609	1,791	-	20,400
Norway	7,197	-	-	7,197
Finland	14,223	-	-	14,223
The U.S.	75,495	-	2,227	77,722
Other	10,391	-	-	10,391
Total	**125,915**	**1,791**	**2,227**	**129,933**

The recoverable amount for a cash-generating unit (CGU, for the Group, country) is determined based on calculations of value in use. These calculations are made on the basis of estimated future cash flows before tax based on five-year financial budgets that have been approved by management. Cash flows beyond the five-year period are extrapolated using an estimated growth rate, as shown below. The growth rate does not exceed the long-term growth rate for the market in which the CGU operates.

For each CGU to which a significant amount of goodwill has been allocated, the material assumptions, long-term growth rates and discount rates used in calculating value in use are indicated below.

31 Dec 2017	Sweden	Norway	Finland	The U.S.	Other
Long-term growth rate, %	2	2	2	2	2
Pre-tax discount rate, %	9.2	11.7	11.1	10.4	11.0

31 Dec 2016	Sweden	Norway	Finland	The U.S.	Other
Long-term growth rate, %	2	2	2	2	2
Pre-tax discount rate, %	11.9	12.2	11.0	14.1	10.6

31 Dec 2015	Sweden	Norway	Finland	The U.S.	Other
Long-term growth rate, %	2	2	2	2	2
Pre-tax discount rate, %	12.1	12.5	12.0	14.5	10.6

The five-year forecasting period is based on the budget and unchanged sales margins and sales composition. The five-year period is also based on previous earnings and management's expectations of market development as well as external information sources.

No reasonable change in critical assumptions would result in the carrying amount exceeding the recoverable amount.

19 Financial instruments by category

31 Dec 2017

	Loans and receivables	Total
Assets in balance sheet		
Non-current financial assets	1,003	1,003
Trade receivables	254,347	254,347
Cash and cash equivalents	31,206	31,206
Total	**286,556**	**286,556**

	Other financial liabilities	Total
Liabilities in balance sheet		
Borrowings	165,064	165,064
Trade payables	192,893	192,893
Total	**357,957**	**357,957**

31 Dec 2016

	Loans and receivables	Financial assets at fair value through profit or loss	Total
Assets in balance sheet			
Non-current financial assets	463	-	463
Derivatives	-	5	5
Trade receivables	231,118	-	231,118
Cash and cash equivalents	39,856	-	39,856
Total	**271,437**	**5**	**271,442**

	Other financial liabilities	Total
Liabilities in balance sheet		
Borrowings	127,780	127,780
Trade payables	174,445	174,445
Total	**302,225**	**302,225**

31 Dec 2015

	Loans and receivables	Total
Assets in balance sheet		
Non-current financial assets	334	334
Trade receivables	194,036	194,036
Cash and cash equivalents	30,776	30,776
Total	**225,146**	**225,146**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Liabilities in balance sheet			
Borrowings	-	190,772	190,772
Derivatives	18	-	18
Trade payables	-	149,113	149,113
Additional consideration	1,250	-	19,250
Total	**1,268**	**339,885**	**341,153**

20 Financial assets

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Opening value	**463**	**334**	**86**
Foreign exchange differences	-27	31	-
Purchases	586	98	1
Reclassifications	-	-	234
Sales and disposals	-19	-	-13
Closing value	**1,003**	**463**	**308**

Financial assets refer to deposits for leases in Denmark, Finland, France, Italy and the U.S..

21 Trade and other receivables

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Trade receivables	258,299	235,740	199,217
Provision for doubtful debts	-3,952	-4,622	-5,181
Net trade receivables	**254,347**	**231,118**	**194,036**

The fair value of trade receivables is equal to the carrying amount, as the discount effect is insignificant.

At 31 December 2017, the Group had past due trade receivables of kSEK 57,029 (43,194/42,922). The age structure of these trade receivables is shown below:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
1-30 days	41,967	34,040	33,549
31-90	8,261	6,116	4,925
> 91 days	6,801	3,038	4,448
Total trade receivables past due	**57,029**	**43,194**	**42,922**

At 31 December 2017, the Group had recognised impaired trade receivables of kSEK 3,952 (4,622/5,181). Individually assessed impaired trade receivables refer mainly to customers that have unexpectedly experienced financial difficulties. The age structure of these is as follows:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
1 to 3 months	1,581	2,245	1,527
More than 3 months	2,371	2,378	3,654
Total	**3,952**	**4,622**	**5,181**

The carrying amounts, for each currency, of the Group's trade and other receivables are as follows:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
SEK	2,147	2,466	2,834
EUR	21,114	17,083	15,389
USD	174,224	163,798	142,597
GBP	17,856	15,422	12,321
Other	39,006	32,349	20,895
Total	**254,347**	**231,118**	**194,036**

Changes in the provision for doubtful debts are as follows:

	2017	2016	2015
1 January	**4,622**	**5,181**	**4,636**
Provision for doubtful debts	507	2,296	1,243
Receivables written off during the year as uncollectable	-444	-2,758	-436
Reversal of unused provisions	-165	-543	-477
Foreign exchange difference	-568	446	215
31 December	**3,952**	**4,622**	**5,181**

Provisions and reversals of provisions for doubtful debts are included in the item Other external expenses in the income statement (Note 8).

Other categories in trade and other receivables do not include any impaired assets. The maximum exposure to credit risk at the balance sheet date is the carrying amount, as shown above.

The Group has not received any pledge as security for trade receivables but the majority of the Group's trade receivables are insured with a credit insurance company.

22 Inventories

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Raw materials and consumables	97,455	89,223	85,594

The cost for inventories that has been expensed is included in the item Raw materials and consumables in the income statement, and amounts to kSEK 906,034 (792,393/802,707).

The Group did not recognise any reversals of impairment losses on inventories in 2017 or 2016.

Inventories, which totalled kSEK 97,455 (89,223/85,594) at the closing date, consist exclusively of goods with fixed orders from customers.

23 Other current receivables

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Tax assets	267	1,119	1,889
VAT receivables	7,629	-	-
Other receivables	8,037	5,389	5,952
Total	**15,933**	**6,508**	**7,841**

In 2015 and 2016, a VAT receivable was accounted for as a decrease in other liabilities. No restatement has been made due to the small amount involved.

24 Prepaid expenses and accrued income

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Prepaid rents	605	531	544
Accrued commission	4,309	4,746	2,041
Service contracts	390	365	691
Other items	4,061	4,673	1,025
Total	**9,365**	**10,315**	**4,301**

25 Cash and cash equivalents

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Bank deposits	31,206	39,856	30,776
Total	**31,206**	**39,856**	**30,776**

26 Share capital and additional paid-in capital

	Number of shares ('000)	Share capital	Additional paid-in capital	Total
1 January 2015	**1,479**	**1,479**	**112,595**	**114,074**
Issue of new shares	18	18	2,727	2,745
31 December 2015	**1,497**	**1,497**	**115,322**	**116,819**
31 December 2016	**1,497**	**1,497**	**115,322**	**116,819**
Issue of new shares	16	16	2,222	2,238
Proceeds from sale of warrants	-	-	43	43
31 December 2017	**1,513**	**1,513**	**117,589**	**119,102**

The share capital comprises 1,512,679 shares with a quotient value of SEK 1. Each share carries one vote. All shares issued by the parent company are fully paid up.

Preference shares

In May 2011, NCAB issued preference shares. Preference shares have preferential rights to dividends over ordinary shares, earning annual interest at a rate calculated from 1 May 2011. In case of liquidation, preference shares have preferential rights over ordinary shares in respect of dividends on the above terms, less what has previously accrued to holders of preference shares in the form of dividends with preferential rights. Preference shares carry one vote each in the same way as ordinary shares and there are no repayment terms in respect of the preference shares.

Issue of new shares

The Group issued a total of 15,900 new shares on three occasions in 2017 for a total consideration of kSEK 2,238. The issued shares have the same rights as other issued shares.

Dividend

In 2017, the Group paid a dividend of SEK 90 million, SEK 53.43 per ordinary share and SEK 85.85 per preference share. The amount includes the interest which holders of preference shares are entitled to.

At the shareholders' meeting on 14 March 2018 it will be proposed that a dividend of kSEK 2,703 be paid, SEK 0.00 per ordinary share and SEK 9.28 per preference share. The amount consists exclusively of interest to holders of preference shares.

Employee warrants

Warrants have been allocated to employees. The warrants, which have been issued in three series, give the holder a right to acquire shares in the company. The exercise price of the allocated warrants is the market price of the shares on the subscription date plus an annual increment of 10, 15 and 20 per cent, respectively, per series, adjusted for past dividends. The employees paid a market price for the warrants at the time of issuance, which means that the warrants have no accounting cost. The warrants have contractual terms of five to seven years. The Group has no legal or constructive obligation to repurchase or settle the warrants in cash.

Changes in the number of outstanding warrants and their weighted average exercise prices are as follows:

	2017	2016	2015
	Warrants	**Warrants**	**Warrants**
1 January	**47,400**	**47,400**	**65,400**
Allocated	5,400	-	-
Exercised	-14,100	-	-18,000
31 December	**38,700**	**47,400**	**47,400**

Of the 38,700 outstanding warrants (47,400/47,400), no warrants were exercisable. (The exercise of warrants in 2017 resulted in the issue of 14,100 shares at a weighted average price of SEK 122.09 per share).

The outstanding warrants have the following expiration dates and exercise prices (at the balance sheet date):

Allocation date	Expiration date	Number	Exercise price, SEK per share
1 Apr 2013	31 Mar 2018	9,500	36.64
1 Apr 2013	31 Mar 2018	9,500	64.60
1 Apr 2013	31 Mar 2018	9,500	98.66
1 Apr 2014	31 Mar 2019	1,600	21.87
1 Apr 2014	31 Mar 2019	1,600	38.41
1 Apr 2014	31 Mar 2019	1,600	57.70
1 Sep 2017	31 Aug 2024	1,800	343.40
1 Sep 2017	31 Aug 2024	1,800	348.60
1 Sep 2017	31 Aug 2024	1,800	353.66

The fair value of allocated warrants is determined using the Black-Scholes option pricing model. Key inputs in the model were the weighted average share price on the allocation date, the above exercise price and volatility. Volatility is measured as the standard deviation of the expected return on the share price based on a statistical analysis of daily share prices over the last three years.

	2017	2014	2013
Average purchase price	7.93	2.77	2.79
Average share price on allocation date	350.84	103.00	103.00
Volatility, %	20	20	20
Risk-free rate, %	0.224	1.480	1.502

27 Borrowings

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Liabilities to credit institutions			
Long-term	-	78,445	106,712
Short-term	165,064	49,335	84,060
Total borrowings	**165,064**	**127,780**	**190,772**

Bank loans

The Group's borrowings are mainly in SEK and USD, and consist of loans and an overdraft facility with Nordea.

Under the covenants associated with liabilities to credit institutions, net debt must not exceed 1.8 times EBITDA, cash flow/financing costs (interest and repayments of principal) must exceed 1.0 and the equity/assets ratio must not fall below 25 per cent.

Due to the provisions for unforeseen costs in the tax dispute in

Russia, the company was unable to meet the covenant relating to equity/assets ratio with the bank as at the closing date. The other loan covenants were met during the period. In accordance with IFRS, all bank loans have therefore been classified as current liabilities as at the closing date. After the end of the reporting period, the company has received a waiver from the bank in respect of the third and fourth quarters of 2017 as well as the first and second quarters of 2018. The bank has thus waived its right to early redemption, and as of the first quarter of 2018 the bank loans will therefore again be accounted for as non-current liabilities.

Of the loans, around 60 per cent are in USD and 40 per cent in SEK. The loans have quarterly repayments. The last instalment date is in June 2022. The interest rate is LIBOR/STIBOR +3.0 per cent. In 2017, the average interest rate was 3.3 per cent (3.1/2.8).

The collateral for the loans consists of shares in subsidiaries valued at kSEK 140,310 (Note 33).

Overdraft facility

The Group has an agreed overdraft facility with a limit of kSEK 78,300 in the currencies SEK, EUR, USD, GBP, DKK and NOK. Of the agreed limit, kSEK 41,901 had been drawn at 31 December 2017 (19,221/55,186). The interest rate on the overdraft facility is LIBOR/STIBOR +1.5 per cent and interest is paid quarterly. The terms of the overdraft facility are linked to the covenants for the bank loans, see above.

The carrying amounts and fair values for borrowings are as follows:

	Carrying amount			Fair value		
	31 Dec 2017	**31 Dec 2016**	**31 Dec 2015**	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2015**
Liabilities to credit institutions	165,064	127,780	190,772	165,064	127,780	190,772
Total	**165,064**	**127,780**	**190,772**	**165,064**	**127,780**	**190,772**

The fair value of short-term borrowings is equal to the carrying amount, as the discount effect is insignificant. Liabilities to credit institutions are classified in Level 2 of the fair value hierarchy.

The carrying amounts, by currency, for the Group's borrowings are as follows:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
SEK	63,867	68,684	87,270
EUR	767	-	42,161
USD	101,570	54,446	60,571
Other currencies	-1,139	4,650	770
Total	**165,064**	**127,780**	**190,772**

The Group has the following undrawn credit facilities:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Variable interest:			
– no maturity date	36,447	60,379	23,514
Total	**36,447**	**60,379**	**23,514**

28 Deferred income tax

The breakdown of deferred tax assets and liabilities is as follows:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Deferred tax assets:			
– deferred tax assets usable after more than 12 months	750	1,858	1,802
– deferred tax assets usable within 12 months	-	-	1,400
Deferred tax liabilities:			
– deferred tax liabilities payable after more than 12 months	3,454	2,310	1,100
– deferred tax liabilities payable within 12 months	-	-	-
Net deferred tax assets	**-2,704**	**-452**	**2,302**

The gross change in respect of deferred taxes is as follows:

	2017	2016	2015
Opening balance	**1,858**	**3,402**	**3,273**
Foreign exchange differences	-166	165	253
Reclassification	-	-	332
Recognised in income statement (Note 13)	-942	-1,709	-456
Closing balance	**750**	**1,858**	**3,402**

The change in deferred tax assets and liabilities during the year, without taking account of netting in the same tax jurisdiction, is shown below:

Deferred tax liabilities	Other	Total
1 January 2015	0	0
Recognised in income statement	1,100	1,100
31 December 2015	1,100	1,100
Recognised in income statement	1,210	1,210
31 December 2016	2,310	2,310
Recognised in income statement	1,144	1,144
31 December 2017	3,454	3,454

Deferred tax assets	Intangible assets	Tax losses	Total
1 January 2015	1,925	1,348	3,273
Recognised in income statement	-124	-332	-456
Reclassification	-	332	332
Foreign exchange differences	-	253	253
31 December 2015	1,801	1,601	3,402
Recognised in income statement	-108	-	-108
Foreign exchange differences	165	-	165
31 December 2016	1,858	0	1,858
Recognised in income statement	-107	-	-107
New tax rate, the U.S.	-835	-	-835
Foreign exchange differences	-166	-	-166
31 December 2017	750	0	750

Deferred tax assets are recognised for tax losses to the extent that it is probable that these can be used to offset future taxable profits. The Group did not recognise deferred tax assets of kSEK 9,757 (8,585/11,037) relating to losses of SEK 32,999 (28,783/38,745), which can be used to offset future taxable profits.

29 Provisions

As a result of the settlement which the company reached with the Russian tax authority over a claim relating to a previous subcontractor's reporting and payment of VAT for the years 2013–2015, kSEK 17,595 has been set aside in provisions. The final payment under the settlement was made in the first quarter.

30 Accrued expenses and deferred income

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Accrued interest expense	44	44	525
Accrued holiday pay and bonuses	23,274	19,037	19,383
Accrued customer bonus	4,993	3,264	3,205
Accrued audit fees	1,118	1,215	1,112
Additional consideration, Ulf Andersson	-	-	1,250
Provision, complaints	-	894	-
Goods in transit	1,781	5,408	-
Other items	11,162	9,617	9,098
Total	**42,372**	**39,479**	**34,573**

31 Adjustment for non-cash items

	2017	2016	2015
Adjustments for:			
– depreciation of property, plant and equipment (Note 17)	2,380	2,735	1,883
– depreciation of intangible assets (Note 18)	6,160	5,838	6,546
– change, minority interest	-9	-33	71
– minority share of profit for the year	56	68	104
– foreign exchange difference	-9,032	6,765	-5,039
Total	**-445**	**15,373**	**3,565**

32 Cash flow from financing activities

			Non-cash change	
	1 January 2017	Cash flow	Unrealised foreign exchange difference	31 December 2017
Overdraft facility	19,221	26,363	-3,683	41,901
Other loans	108,559	20,858	-6,254	123,163
	127,780	**47,221**	**-9,937**	**165,064**
Cash and cash equivalents	-39,856	7,800	850	-31,206
	87,924	**55,021**	**-9,087**	**133,858**

33 Pledged assets

For liabilities to credit institutions:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Shares in subsidiaries (see below)	140,310	118,650	94,541
Total	**140,310**	**118,650**	**94,541**
Pledged assets – 100% of the shares of:			
NCAB Group Sweden AB	49,266	40,342	34,554
NCAB Group Iberia S.A.	3,364	2,017	1,228
NCAB Group Finland Oy	32,936	36,791	29,182
NCAB Group Denmark ApS	4,475	4,380	2,553
NCAB Group Norway AS	27,988	28,049	22,746
NCAB Group Germany GmbH	0	0	0
NCAB Polska Sp. z o.o.	9,214	7,071	4,278
NCAB Group Asia Ltd.	13,067	0	0

In addition to the above, there are also chattel mortgages issued by NCAB Group Sweden of SEK 55.0 million (55.0/55.0).

34 Operating leases

Operating lease obligations

The Group leases cars and photocopiers under non-cancellable operating leases. The lease terms vary from 1 to 3 years and most leases can be extended at the end of the lease term for a fee that is in line with market rates.

The Group also leases various premises under cancellable operating leases. The period of notice for the Group under these contracts ranges from 6 to 12 months. Lease payments of kSEK 10,179 (11,787/9,170) largely attributable to leases for premises have been recognised in the income statement.

Future total minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016	2015
Within 1 year	11,016	10,199	12,412
Between 1 and 5 years	20,442	16,913	10,881
More than 5 years	795	1,180	535
Total	**32,253**	**28,292**	**23,828**

35 Business combinations

Ulf Andersson Elektronik AB

In an asset deal on 29 April 2015, the Group acquired the operations of Ulf Andersson Elektronik AB for kSEK 3,257. The acquisition is expected to strengthen the Group's position in the Swedish market and will create synergies for customers as well as the Group's factories.

The goodwill of kSEK 1,791 which arose from the acquisition is attributable to an increased market presence (which is not separable) and expected synergies from the merger.

The following table presents a summary of the consideration paid for Ulf Andersson Elektronik AB and the fair values of acquired assets and assumed liabilities recognised at the acquisition date.

Consideration as at 29 April 2015	
Cash and cash equivalents	2,007
Contingent consideration	1,250
Total consideration	**3,257**
Carrying amounts of identifiable acquired assets and assumed liabilities	
Customer relationships (included in intangible assets) (Note 18)	1,000
Inventories	466
Total identifiable net assets	**1,466**
Goodwill	**1,791**

Acquisition-related costs of kSEK 55 are included in other external expenses in the consolidated balance sheet for the financial year 2015.

The fair value of the agreed contingent consideration, kSEK 1,250, was determined at the close of the financial year 2015, and is also consistent with the actual outcome and the additional consideration paid.

If Ulf Andersson Elektronik had been consolidated from 1 January 2015 the consolidated income statement for 2015 would have shown an increase in revenue of kSEK 6,915 and the operating profit would have increased by kSEK 500.

In 2015, a final additional consideration of SEK 17.1 million was paid for the acquisition of M-Wave.

36 Related parties

R12 Kapital AB owns approximately 63 per cent of the shares of the parent company and has control over the Group. The remaining approximately 37 per cent of the shares are owned by Directors and management.

The following transactions have been made with related parties:

(a) Sale of goods and services

	2017	2016	2015
Sale of goods:			
– Ericon (33% owned by Vladimir Makarov, MD in NCAB Russia)	6,748	5,681	7,980
– Ericon Assembly (25% owned by Vladimir Makarov, MD in NCAB Russia)	1,609	438	1,020
Total	**8,357**	**6,119**	**9,000**

(b) Remuneration of senior executives

Senior executives have received the following remuneration:

	2017	2016	2015
Salaries and other short-term benefits	11,143	9,607	10,245
Post-employment benefits (pension contributions)	784	915	1,116
Total	**11,927**	**10,522**	**11,361**

The Group only has defined contribution pension plans. Retirement benefit cost refers to the cost which affects profit for the year. For more information about pensions, see below.

Warrants

	Schemes from previous years	Scheme for current year
	Warrants	Warrants 2017
	Number	Number
Other senior executives (3 persons)	15,600	0
Total	**15,600**	**0**

For more information on warrants, see Note 26.

Defined contribution pension

The retirement age for the Chief Executive Officer is 65 years.

The pension premium is 2 per cent of the pensionable pay. Pensionable pay refers to the basic salary plus average variable pay for the last three years.

For other senior executives, the retirement age is 65 years. The pension agreement states that the pension premium is 1-4 per cent of the pensionable pay.

Termination and severance pay

The CEO's employment contract is terminable on 12 months' notice in case of termination by the company and on 6 months' notice in case of termination by the CEO. There is no agreement on severance pay.

The contracts between the company and senior executives are subject to 1-9 months' notice by either party.

(c) Receivables and liabilities at year-end due to sales and purchases of goods and services

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Receivables from related parties:			
– Trade receivables, Ericon	1,265	1,060	307
– Trade receivables, Ericon Assembly	49	9	351

Receivables from related parties mainly relate to sales transactions and fall due 2 months after the sale date. The Group holds no collateral for these receivables and no interest is payable. The Group has not made any provisions for doubtful debts for receivables from related parties (0).

(d) Loans to related parties

The Group has no loans to related parties.

(e) Pledged assets and contingent liabilities on behalf of related parties

The Group has no pledged assets or contingent liabilities on behalf of related parties.

37 Events after the end of the reporting period

The first quarter has started on a positive note. The order intake and sales are above the level on 2017. There are no other significant events to report.

A settlement has been reached with the Russian tax authority over a claim relating to a previous subcontractor's reporting and payment of VAT for the years 2013–2015. The final amount, including advisory costs, was SEK 31.9 million, which was charged to earnings in 2017. Due to the provisions made for the Russian tax demand, the company was unable to meet one of its financial covenants. The covenant was waived by the bank after the end of the reporting period.

The Group's Head of Investor Relations has left the Group for personal reasons. Gunilla Öhman took over as Head of Investor Relations on 23 February, and we wish here a warm welcome.

38 Definitions of alternative performance measures

Some of the information contained in this report that is used by management and analysts to assess the Group's performance has not been prepared in accordance with IFRS. Management believes that this information helps investors to analyse the Group's financial performance and financial position. Investors should regard this information as complementary rather than as replacing financial reporting in accordance with IFRS.

Alternative performance measure	Definition	Purpose
Gross profit	Net sales less raw materials and consumables adjusted for translation differences on trade receivables and trade payables	Gross profit provides an indication of the surplus that is needed to cover fixed and semi-fixed costs in the NCAB Group.
Gross margin	Gross profit divided by net sales	The gross margin provides an indication of the surplus as a percentage of net sales that is needed to cover fixed and semi-fixed costs in the NCAB Group.
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	EBITDA along with EBITA provide an overall picture of operating earnings.
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment, and intangible assets adjusted for extraordinary items	Adjusted EBITDA is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for showing the company's operating earnings.
EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets	EBITA provides an overall picture of operating earnings.
Adjusted EBITA	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items	Adjusted EBITA is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for showing the company's operating earnings.
Adjusted EBITA margin	Operating profit before amortisation and impairment of goodwill and acquisition-related intangible assets adjusted for extraordinary items, divided by net sales	The adjusted EBITA margin is adjusted for extraordinary items. NCAB therefore considers that it is a useful performance measure for comparing the company's margin with other companies regardless of whether the business is driven by acquisitions or organic growth.
Return on equity	Net profit/loss for the year divided by average equity	Return on equity is used to analyse the company's profitability, based on how much equity is used.
Equity/assets ratio	Equity and untaxed reserves net of deferred tax, divided by total assets	NCAB considers that this is a useful measure for showing what portion of total assets is financed by equity. It is used by management to monitor the Group's long-term financial position.
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt is a measure which shows the company's total indebtedness

Gross profit

SEK million	2017	2016	2015
Net sales	1,400.1	1,218.7	1,201.3
Other operating income	2.1	2.0	2.4
Raw materials and consumables	-977.8	-855.0	-872.8
Translation differences	-1.9	5.2	0.0
Total gross profit	**422.5**	**370.9**	**330.9**
Gross margin, %	30.2	30.4	27.5

EBITA and adjusted EBITA

SEK million	2017	2016	2015
Operating profit	65.6	95.8	72.0
Amortisation and impairment of intangible assets	4.6	4.6	4.0
EBITA	**70.2**	**100.3**	**76.0**
EBITA margin, %	5.0	8.2	6.3
Extraordinary items	43.5	-	-
Adjusted EBITA	**113.7**	**100.3**	**76.0**
Adjusted EBITA margin, %	8.1	8.2	6.3

EBITDA and adjusted EBITDA

SEK million	2017	2016	2015
Operating profit	65.6	95.8	72.0
Depreciation, amortisation and impairment of property, plant and equipment, and intangible assets	8.5	8.6	8.4
EBITDA	**74.1**	**104.3**	**80.4**
EBITDA margin, %	5.3	8.5	6.7
Extraordinary items	43.5	-	-
Adjusted EBITDA	**117.6**	**104.3**	**80.4**
Adjusted EBITDA margin, %	8.4	8.5	6.7

Return on equity

SEK million	2017	2016	2015
Net profit for the year	40.4	65.1	54.8
Equity (average)	133.0	120.4	105.9
Return on equity, %	**30**	**54**	**52**

Equity/assets ratio

SEK million	31 Dec 2017	31 Dec 2016	31 Dec 2015
Equity	106.4	159.7	81.1
Untaxed reserves	0	0	0
Total	**106.4**	**159.7**	**81.1**
Total assets	554.3	533.3	477.5
Equity/assets ratio, %	**19**	**30**	**17**

Net debt

SEK million	31 Dec 2017	31 Dec 2016	31 Dec 2015
Interest-bearing liabilities	165.1	127.8	190.8
Cash and cash equivalents	-31.2	-39.9	-30.8
Total net debt	**133.9**	**87.9**	**160.0**
Adjusted EBITDA	117.6	104.3	80.4
Net debt/Adjusted EBITDA	**1.1**	**0.8**	**2.0**

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

The Auditor's Report on historical financial statements

To the Board of Directors of NCAB Group AB (publ), corporate identity number 556733-0161

We have audited the financial statements for NCAB Group AB on pages F-25-F-53, which comprise the consolidated balance sheet as of 31 December 2017, 2016 and 2015 and the consolidated income statements and other comprehensive income, cash flow statements and statements of changes in equity for the years then ended, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Managing Director's responsibility for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 *Examination of 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 NCAB Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the consolidated financial position of NCAB Group AB (publ) as of 31 December 2017, 2016 and 2015 and its consolidated financial performance, statement of changes in equity and cash flows for these years.

Stockholm 23 May 2018
Öhrlings PricewaterhouseCoopers AB

Ola Salemyr
Authorised Public Accountant

Glossary

Term	Description
Advanced trader	A trader which takes on full supplier responsibility towards its customers and which has local presence in China.
Basic trader	A trader which typically acts as an outsourced purchasing function.
EMS	Electronics Manufacturing Services. Contract Manufacturer that manufactures and assemblies products for OEM companies.
Factory management	NCAB's organization in China which focuses on manufacturer relationships and is involved in the manufacturers' production and quality assurance processes. The team is located in Shenzhen, China.
Gerber file	A file comprising all data regarding design and specifications of a PCB.
Greenfield establishment/ expansion	Where a parent company builds its operations in a foreign country from the ground up.
HMLV (high-mix low-volume)	Orders with high complexity in terms of number of parts and low volumes per order line.
ODM	Original Design Manufacturer. Own product and design, but does not assemble the end-product.
OEM	Original Equipment Manufacturer. Own product, design and assembles the end-product.
PCB	Printed Circuit Boards. Platform for electronic components.
PCB-A	Printed Circuit Board Assembly. A PCB that is mounted with electronic components.
Purchasing power	Being a purchaser that receives favorable terms from, and is prioritized by, manufacturers.
Share of wallet	Share of wallet is the percentage ("share") of a customer's expenses ("of wallet") for a product that goes to the Company selling a product.

Definitions

CNY refers to Chinese Yuan.

Code refers to the Swedish Corporate Governance Code.

Consolidated annual reports refer to the financial information for the financial years 2008 to 2014, which cannot be found in section "*Historical financial information*".

Consolidated financial statements refer to the financial information for the financial years 2017, 2016 and 2015, which can be found in the section "Historical financial information" as F-pages.

EUR refers to euro.

Euroclear refers to Euroclear Sweden AB (Box 191, 101 23 Stockholm, Sweden).

GBP refers to British Pound.

IFRS refers to the International Financial Reporting Standards, as applied within the European Union.

The Lock-up Period refers to the certain period of time after the first day of trading in the shares on Nasdaq Stockholm, under which the Company and the Selling Shareholders will undertake, subject to exceptions, not to sell their respective holdings.

Manager refers to Carnegie Investment Bank AB ("Carnegie").

Nasdaq Stockholm refers to the regulated marketplace operated by Nasdaq Stockholm Aktiebolag.

The **Company** refers to NCAB Group AB (publ), reg no. 556733-0161, and **NCAB** or the **Group** refers to the group of which NCAB Group AB (publ) is the parent company.

Offer refers to the offer to acquire shares described in the Offering Circular.

Offering Circular refers to this Offering Circular, which has been prepared in connection with the Offer and the listing of the Company's shares on Nasdaq Stockholm.

Over-allotment Option refers to the over-allotment option described in the section "*Invitation to acquire shares in NCAB Group AB (publ)*".

Placing Agreement refers to the placing agreement regarding shares in NCAB which the Selling Shareholders, the Company and the Manager intend to enter into on or about 4 June 2018, which is described in further detail in the section "*Legal considerations and supplementary information – Material agreements – Placing Agreement*".

Principal Shareholders refer to R12 Kapital AB, Gogoy AB and Hans Ståhl.

RUB refers to Russian ruble.

Securities Act refers to United States Securities Act of 1933, as amended.

SEK refers to Swedish kronor.

Selling Shareholders refer to the Principal Shareholders, as well as a number of other shareholders, including certain members of the board of directors and executive management selling shares in the Offer.

Swedish GAAP refers to generally accepted accounting standards in Sweden.

USD refers to U.S. dollar.

Addresses

Company
NCAB Group AB (publ)
Mariehällsvägen 37 A
SE-168 65 Bromma
Sweden
+46 8 4030 0000

Manager
Carnegie Investment Bank AB
Regeringsgatan 56
SE-103 38 Stockholm
Sweden

Auditor
Öhrlings PricewaterhouseCoopers AB
Torsgatan 21
SE-113 21 Stockholm
Sweden

Legal advisors to the Company and the Principal Shareholders
Roschier Advokatbyrå AB
Brunkebergstorg 2
SE-111 51 Stockholm
Sweden

Legal advisors to the Manager
Baker McKenzie Advokatbyrå
Vasagatan 7
SE-101 23 Stockholm
Sweden

BÖRSTRYCK

NCAB GROUP
Mariehällsvägen 37 A
SE-168 65 Bromma
www.ncabgroup.com