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TERM SHEET

Issuer	engcon AB (publ) ("engcon" or the "Company")
Business description	<ul style="list-style-type: none"> engcon is the world's leading manufacturer of tiltrotators, with a global market share of approximately 45% during 2021¹ The product offering includes tiltrotators, quick couplers, hydraulic and mechanical tools as well as control and safety systems The tiltrotator market is set for transformational growth with a 19 per cent estimated compounded annual growth rate with a corresponding growth rate of 28 per cent on markets outside the Nordics, during the period 2021 to 2026² Strategic OEM partnerships combined with close end-user relations Industry-defining innovations providing unrivalled profitability, efficiency, flexibility, safety and sustainability. A tiltrotator offers: <ul style="list-style-type: none"> ~25% efficiency gains and can replace an average of 2.2 other construction machines³ ~6,000 litres of diesel saved per year totalling ~13,000 kg CO₂ over excavator lifetime⁴ Outstanding track-record of profitable growth (below figures as of Q1 2022 LTM) <ul style="list-style-type: none"> SEK 1.6bn in net sales with a net sales CAGR of 14.7% between 2012 to Q1 2022 LTM SEK 351m⁵ in EBIT, equivalent to an EBIT margin 22.3% 50.5% return on capital employed (ROCE)
Offering type	Initial Public Offering ("IPO")
Securities offered	Existing class B shares
Listing venue	Nasdaq Stockholm
Ticker / ISIN	ENGCON SS / SE0017769847
Price	SEK 46 per share
Base offering	Base offering size of 39,596,870 existing class B shares / c. SEK 1,821m / c. EUR 173m, corresponding to c. 26% of the total number of shares in the Company
Over-allotment option	Up to 5,939,530 existing class B shares / c. SEK 273m / c. EUR 26m, corresponding to 15% of the base offering
Total deal size	Provided that the Over-allotment option is exercised in full, the Offering will comprise 45,536,400 existing class B shares / c. SEK 2,095m / c. EUR 199m, corresponding to 30% of the total number of shares in the Company
Implied market cap	Approx. SEK 7.0bn / c. EUR 665m
Selling shareholders	Stig Engström ⁶ and Monica Engström ⁷ and minority shareholders on pro-rata basis
Cornerstone investors	<p>A number of institutional investors have undertaken, under specific terms and conditions, to subscribe for shares in the Offering of up to SEK 1,400 million, corresponding to c. 67% of the Offering including the Over-allotment Option, as described below:</p> <ul style="list-style-type: none"> Nordstjärnan: SEK 350m Funds managed and advised by Capital research: SEK 300m Svolder AB: SEK 250m Formica Capital: SEK 150m Handelsbanken Fonder: SEK 150m AP2: SEK 100m ODIN Funds: SEK 50m Strand Kapitalförvaltning: SEK 50m
Lock-up	<ul style="list-style-type: none"> Board of Directors and management: 360 days Company and other shareholders: 180 days
Selling restrictions	<ul style="list-style-type: none"> The shares will be offered to institutional investors in Sweden and internationally, and to the general public in Sweden International offering to institutions outside the U.S. in compliance with Reg S No US offering
Syndicate	Nordea acts as Sole Global Coordinator and Joint Bookrunner and Carnegie acts as Joint bookrunner
Expected Timetable	<ul style="list-style-type: none"> 7 June 2022: Prospectus publication 8–15 June 2022 (Books open at 08:00 CET): Application period for the general public in Sweden 8–16 June 2022 (Books open at 08:00 CET): Application period for institutional investors 17 June 2022: First day of trading 21 June 2022: Expected settlement ("T+2")

¹ Based on a market study from Strategy& (PwC), produced on behalf of the Company, dated 11 February 2022 (the "Market study"). Based on number of tiltrotators sold.

² Based on the Market Study. Total value of the number sold tiltrotators – including sale to newly manufactured excavators and existing excavators on engcon's focus market consisting of excavators within the weight class of 1.5 to 33 tonnes within the geographical markets: the Nordic region, Europe (EU countries, United Kingdom and Switzerland, excluding the Nordic region), Americas (North America) and Asia/Oceania (Japan, South Korea and Australia).

³ Based on the Market Study. The productivity improvement of 25 per cent excludes the effect that fewer construction machines are needed.

⁴ Based on the Market Study. Yearly fuel savings are based on a diesel-powered 30-ton excavator. The excavator's lifetime is assumed to be seven years on average.

⁵ Operating profit (EBIT) prior to costs attributable to the offering of approximately SEK 4m during the period 1 October 2021 to 31 December

2021 and approximately SEK 5m during the period 1 January 2022 to 31 March 2022.

⁶ Through Omnapo förvaltning AB.

⁷ Through Monen Holding AB.

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