

The Atlas Copco logo is located in the top right corner of the page. It consists of the company name "Atlas Copco" in a white, italicized serif font, centered between two horizontal white bars. The logo is set against a blue rectangular background.

Atlas Copco

A blue triangular graphic overlay is positioned on the left side of the page. It contains a white technical drawing of a mechanical component, showing various dimensions and lines. The drawing is partially obscured by the text.

Information to the shareholders in Atlas Copco AB

concerning proposal of share split and
mandatory redemption of shares

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This document does not constitute an offer but serves as information concerning the Board of Directors' of Atlas Copco AB ("Atlas Copco" or "the Company") proposal of share split and capital distribution to the shareholders in Atlas Copco through a mandatory redemption of shares. The purpose of this document is to provide the shareholders in Atlas Copco with information for the Annual General Meeting on April 26, 2022, which is proposed to resolve on a share split and the mandatory redemption of shares. The Board of Directors' complete proposal, which includes decisions on a share split, a reduction of the share capital and the restoring of the share capital through a bonus issue, is available at the Company's website, www.atlascopcogroup.com/agm, from March 22, 2022 and will be sent to shareholders upon request.

This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish version, the Swedish version shall prevail.

Atlas Copco AB is sometimes referred to as the Atlas Copco Group, the Group, the Company or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mention of the Board of Directors, the Board or the Directors refers to the Board of Directors of Atlas Copco AB.

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Brief description of the redemption share procedure and share split

The Annual General Meeting in Atlas Copco AB on April 26, 2022 is proposed to resolve on a share split and redemption of shares in accordance with the Board of Directors' proposal.

The proposal principally implies that:

- each series A share in Atlas Copco is split into four (4) series A ordinary shares and one (1) series A redemption share. On the shareholders' securities accounts the redemption shares will be referred to as AK IL A.
- each series B share in Atlas Copco is split into four (4) series B ordinary shares and one (1) series B redemption share. On the shareholders' securities accounts the redemption shares will be referred to as AK IL B.

The redemption shares will be traded on Nasdaq Stockholm from and including May 18, 2022 up to and including June 1, 2022. All redemption shares will then automatically be redeemed for SEK 8 per share, which amount will be distributed on or about June 13, 2022.

Payment will be made via Euroclear Sweden AB ("Euroclear") into the yield account linked to the directly registered shareholders' securities accounts. Nominee-registered shareholdings will be processed in accordance with each nominee's routines.

The redemption procedure and proposed share split are conditional upon that the Annual General Meeting 2022 resolves on the following:

- ▶ Split of each series A share and series B share into four (4) ordinary shares and one (1) redemption share.
- ▶ Reduction of the share capital for repayment to the shareholders by way of redemption of maximum 1 229 613 104 redemption shares (whereby shares of series A and series B will be redeemed in proportion to the number of shares of the respective series issued).
- ▶ Increase of the share capital by approximately MSEK 157 by way of a bonus issue, whereby the Company's non-restricted equity is to be used.

The Annual General Meeting is proposed to resolve on a share split and redemption of shares	April 26, 2022
Last day of trading in the shares before share split and with right to receive redemption shares	May 12, 2022
Record day for share split and receipt of redemption shares	May 16, 2022
Trading in redemption shares	May 18–June 1, 2022
Payment of redemption amount	on or about June 13, 2022

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Background and reasons

The Board of Directors proposes to the Annual General Meeting 2022 an ordinary dividend of SEK 7.60 (7.30) per share to be paid for the 2021 fiscal year. The ordinary annual dividend is proposed to be paid in two installments, the first with record date April 28, 2022, and the second with record date October 21, 2022. The first installment amount will be SEK 3.80 per share. The second installment amount will be SEK 3.80 per share (or SEK 0.95 per share if the proposed share split and redemption procedure is decided by the Annual General Meeting).

In order to adjust the Group's balance sheet to a more efficient structure and, at the same time, maintain the financial flexibility for further growth, the Board of Directors proposes to the Annual General Meeting 2022 a share split and redemption share procedure, whereby every share is split into four (4) ordinary shares and one (1) redemption share. The redemption share is then automatically redeemed at SEK 8.00 per share. Combined with the proposed ordinary dividend, the shareholders will receive approximately MSEK 19 004.

Stockholm, March 2022
Atlas Copco AB (publ)

Financial effects of the redemption procedure

Should the Annual General Meeting resolve on the proposal of redemption, approximately MSEK 9 746 will be distributed to the shareholders in Atlas Copco, if shares held by the Company on December 31, 2021 are excluded.

The redemption procedure will have the following financial effects on Atlas Copco:

- ▶ Shareholders' equity will be reduced by approximately MSEK 9 746.
- ▶ Net debt, that is the difference between interest-bearing debt/provisions and liquid assets, will increase by approximately MSEK 9 746.

Changes in shareholders' equity and number of shares in the Atlas Copco Group, proforma as at December 31, 2021

	Before the transaction	Share split in 4 ordinary shares and 1 redemption share	Effect of share redemption	Effect of bonus issue	After the transaction
Shareholders' equity, MSEK	67 634	67 634	-9 746		57 888
Share capital, MSEK	786	786	-157	157	786
Shares outstanding – total	1 229 613 104	6 148 065 520	-1 229 613 104		4 918 452 416
of which series A	839 394 096	4 196 970 480	-839 394 096		3 357 576 384
of which series B	390 219 008	1 951 095 040	-390 219 008		1 560 876 032
of which series A held by Atlas Copco	11 422 736	57 113 680	-11 422 736		45 690 944
of which series B held by Atlas Copco					
Shares outstanding – total, net of shares held by Atlas Copco	1 218 190 368	6 090 951 840	-1 218 190 368		4 872 761 472



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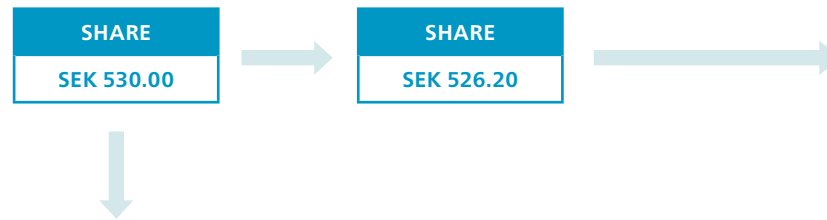
Questions and answers

Capital distribution and share split in four (4) ordinary shares and one (1) redemption share

This example is based on an assumed share price of SEK 530. The effects on the share price from the ordinary dividend, share split and redemption are only theoretical. The stock market's actual pricing (the share price) of the Atlas Copco share may very well deviate.

Annual General Meeting April 26, 2022:

Resolution on dividend, share split and redemption of shares.



The total ordinary annual dividend amounts to SEK 7.60 per share, to be paid in two installments.

DIVIDEND, 1st installment	SEK 3.80
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Payment of the first installment of the ordinary dividend of SEK 3.80 per share will be distributed to the shareholders holding Atlas Copco shares on the **record date April 28, 2022** in accordance with the resolution by the Annual General Meeting. Please observe that the last day of trading in the share including right to receive dividend is April 26, 2022.

DIVIDEND, 2nd installment	SEK 3.80*
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* Payment of the second installment of the ordinary dividend of SEK 3.80 per share (or SEK 0.95 per share after the share split and redemption procedure) will be distributed to the shareholders holding Atlas Copco shares on the **record date October 21, 2022** in accordance with the resolution by the Annual General Meeting. Please observe that the last day of trading in the share including right to receive dividend is October 19, 2022.

Share split in 4 ordinary shares and 1 redemption share

Each Atlas Copco share held on the **record date May 16, 2022**, will be split into four (4) ordinary shares and one (1) redemption share. Please observe that the last day of trading in the share before share split and including right to receive redemption share is May 12, 2022.

SHARE	SHARE
SEK 129.55	SEK 129.55
SHARE	SHARE
SEK 129.55	SEK 129.55

REDEMPTION SHARE	SEK 8.00
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Last day of trading in the share before share redemption is May 12, 2022 and **record date May 16, 2022**. Trading in redemption shares is conducted on Nasdaq Stockholm from and including May 18 up to and including June 1, 2022, whereafter the redemption shares will be automatically redeemed for SEK 8.00 per share. Payment of the redemption amount for the redemption share will be effected on or about June 13, 2022.

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Timetable for share split and redemption of shares

ACTIVITY	DATE 2022	PLEASE NOTE THAT
Annual General Meeting in Atlas Copco AB. Resolution on share split and redemption of shares.	April 26	Shareholders must notify the Company of their intent to participate in the Annual General Meeting no later than April 20, 2022. Please see the notice for further information.
Last day of trading in the Atlas Copco share before share split and including right to receive redemption share.	May 12	Last day with the possibility of acquiring shares in Atlas Copco with the purpose of obtaining redemption shares.
First day of trading in the Atlas Copco share following share split.	May 13	As from this day the Atlas Copco share will be traded with a new share price (following share split) and with a new ISIN-code.
Record date for share split and for receipt of redemption shares. ¹⁾	May 16	All Atlas Copco shares held by the shareholders on this day will be split into four (4) ordinary shares and one (1) redemption share. ¹⁾
	May 17	The redemption share is booked into the shareholders' securities account.
First day of trading in redemption shares.	May 18	
Last day of trading in redemption shares.	June 1	Last day for sale or acquisition of redemption shares on Nasdaq Stockholm.
Determination in the Euroclear system of the shareholders entitled to redemption amount.	June 8	Shareholders holding redemption shares this day will be entitled to redemption amount.
Payment of redemption amount.	On or about June 13	The redemption amount will be distributed via Euroclear into the yield account linked to the securities account of shareholders directly registered with Euroclear. Nominee-registered shareholdings will be processed in accordance with each nominee's routines.

¹⁾ Record date for share split and right to receive redemption share occurs two trading days after the last day of trading in the Atlas Copco share before share split and including right to receive redemption share.

Tax considerations

The presentation below is a summary of certain Swedish tax regulations that apply to shareholders in Atlas Copco as a result of the redemption procedure.

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Receipt of redemption shares

The receipt of redemption shares pursuant to the share split as such does not give rise to any taxation. Instead, the acquisition cost of the original Atlas Copco shares of each series (A and B shares respectively) immediately before the share split will be allocated between the redemption shares and the ordinary shares in Atlas Copco. The allocation will be made based on the market values of the redemption shares and the ordinary series A and B shares in relation to the share split and the detachment of the redemption shares. Atlas Copco intends to seek general advice from the Swedish Tax Agency regarding how this allocation should be made.¹⁾

Redemption and disposal of redemption shares

Redemption of shares and sale of redemption shares, for example by sale in the market, give rise to capital gains taxation. A capital gain or capital loss is calculated as the difference between the received payment, after deduction of any sales costs, and the acquisition cost. The received payment for redeemed shares is the redemption amount. The received payment for redemption shares sold in the market is the sales price.

The acquisition cost for redemption shares received at the share split is calculated by allocating the acquisition cost as described above under the heading "Receipt of redemption shares". The acquisition cost of shares acquired in the market is the actual acquisition cost for the shares.

The acquisition cost of all shares of the same series and type are added together and calculated collectively in accordance with the average method (Sw. genomsnittsmetoden). It should be noted that the redemption shares of series A and B respectively are not considered to be of the same series and type as the ordinary Atlas Copco shares. For listed shares, the acquisition cost may alternatively be determined in accordance with the standard method (Sw. schablonmetoden) to 20% of the sales price after deduction of sales costs.

For individuals, the capital gain is taxed as capital income. The tax rate is 30%. A capital loss on listed shares is fully deductible against taxable capital gains in the same year on shares and other listed securities that are taxed as shares except for units in Swedish investment funds that only contain Swedish receivables (Sw: räntefonder). Capital losses on shares that cannot be offset in this way are 70% deductible against other income from capital. If an overall capital deficit occurs, a reduction from tax on income from employment and business operations, as well as real estate tax and municipal property charges, is granted. A tax reduction of 30% is provided for deficits that do not exceed SEK 100 000 and 21% of any remaining deficit. Deficits cannot be carried forward to later fiscal years. However, if the redemption shares are owned via an investment savings account (Sw: investeringssparkonto), special rules on standardized taxation apply instead of the rules described above.

For limited liability companies, capital gains on shares that are not deemed to be held for business purposes are taxed as income from business operations at a tax rate of 20.6%. Deductible capital losses on shares and other securities that are taxed as shares may normally be offset only against taxable capital gains on shares and other securities that are taxed as shares. In certain cases, capital losses may be offset against capital gains within the same corporate group if the conditions for group contributions (Sw. koncernbidrag) are met. Capital losses that cannot be utilized during a certain year may be carried forward and be utilized against eligible capital gains in subsequent fiscal years.

EXAMPLE

Please note that the example is based only on assumptions and that it is also applicable to holders of series B shares in Atlas Copco.

Assume in this example, that a shareholder has 100 series A shares in Atlas Copco with an average acquisition cost of SEK 450 immediately before the share split, that the trading price at the time of the share split is SEK 530 and that the price of the redemption share is SEK 8. Furthermore, assume that the Swedish Tax Agency in its forthcoming general advice determines that 1.5% (SEK 8/530) of the acquisition cost for one original series A share will be allocated to the series A redemption share and 98.5% to the ordinary series A share. The acquisition cost of the redemption share will consequently be SEK 6.75 (1.5% of SEK 450).

Thus, when the redemption shares are redeemed or sold this will result in a capital gain of $(8 \times 100) - (6.75 \times 100) = \text{SEK } 125.0$

The average acquisition cost of the remaining ordinary series A shares will then be SEK 443.25 per share (98.5% of SEK 450).

¹⁾ Information on the Swedish Tax Agency's general advice will be published on Atlas Copco's website when available (www.atlascopcogroup.com) and the Swedish Tax Agency's website (www.skatteverket.se).

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Certain tax considerations for shareholders with limited tax liability in Sweden

For shareholders with limited tax liability in Sweden, the redemption of shares is deemed to be a dividend, which means that Swedish withholding tax (also known as “coupon tax”) is normally levied on the received payment. The withholding tax rate is 30% but is generally reduced under tax treaties that Sweden has concluded with other countries. The withholding tax is normally deducted by Euro-clear or, in the case of nominee-registered shares, by the nominee. Swedish withholding tax is levied regardless of the redemption shares being received through the share split or acquired in the market. However, a refund for the withholding tax that is attributable to the acquisition cost of the shares or, provided that the shares are listed, 20% of the redemption amount, may be admitted if a claim for a refund is filed with the Swedish Tax Agency. The acquisition cost is usually allocated between the redemption shares and the ordinary shares as mentioned in the example under the heading “Receipt of redemption shares”.

A claim for refund is to be filed with the Swedish Tax Agency at the latest at the end of the fifth calendar year after payment.

Shareholders with limited tax liability in Sweden, and who are not carrying on business operations from a permanent establishment in Sweden, are generally exempt from capital gains taxation in Sweden on the sale of shares. However, such shareholders may be liable for tax in their country of residence. If a shareholder with limited tax liability in Sweden, being an individual, has been resident or lived permanently in Sweden at any time during the year of the sale or the ten calendar years immediately preceding the year of the sale of Swedish shares, Sweden has the right under a domestic rule to tax such a holder. This right may, however, be limited by applicable tax treaties that Sweden has concluded with other countries.

It should be noted that no Swedish withholding tax is payable if the redemption shares are sold in the market.

Unless otherwise stated, the summary is based on Swedish tax regulations and practice currently in force for shareholders of Atlas Copco and is intended as general information only. The summary is not exhaustive and does not cover situations in which securities are held as current assets in business operations or are held by partnerships. Neither does it deal with the special tax regulations applying to certain corporate categories nor the rules on tax-exempt capital gains (including non-deductible capital losses) and dividends on shares considered to be held for business purposes. Nor does the summary cover the special rules that may apply to holdings in companies that have been acquired by means of “qualified shares” in closely held companies. For shareholders that are not tax residents in Sweden, the tax consequences are affected by provisions of the shareholder’s home state and by tax treaties between Sweden and other states. The tax implications for each shareholder depend on the shareholder’s specific circumstances. Each shareholder should consult a tax advisor for information on the specific tax consequences arising from the redemption procedure applicable for him/her.

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concerning share split and mandatory redemption procedure

What does the share split and redemption procedure imply for me as a shareholder?

Conditional upon that the Annual General Meeting on April 26, 2022, resolves on a share split and redemption of shares in accordance with the Board of Directors' proposal, each share will be split in 4 ordinary shares and 1 redemption share. The redemption share will then automatically be redeemed for SEK 8.00. On the shareholders' securities accounts the series A redemption share will be referred to as AK IL A and the series B redemption share will be referred to as AK IL B.

When will the payment occur under the redemption procedure?

All redemption shares (regardless of series) will automatically be redeemed for SEK 8.00 per share, which amount will be distributed on or about June 13, 2022. Shareholders that want to receive payment earlier, may choose to sell their redemption shares on Nasdaq Stockholm during the period from and including May 18, up to and including June 1, 2022, at the prevailing market price.

Why does Atlas Copco propose a share redemption procedure?

In order to adjust the Group's balance sheet to a more efficient structure and, at the same time, maintain the financial flexibility for further growth, the Board proposes to the Annual General Meeting a mandatory share redemption procedure.

Why does not Atlas Copco instead propose a one-time dividend?

Dividend to the shareholders is paid annually in accordance with Atlas Copco's dividend policy, under which the dividend shall amount to about 50% of earnings per share. Redemption of shares is an extra measure taken to adjust Atlas Copco's capital structure. Compared to a one-time dividend, redemption of shares may, from a taxation point of view, be more advantageous to certain shareholders.

Why does not Atlas Copco instead repurchase shares over the market?

The objective is to distribute capital to the Company's shareholders and it is important that each shareholder receives his/her part of the distributed amount. This cannot be achieved by way of repurchase of shares over the market, where only the shareholders who choose to sell their shares will participate.

What are my options in connection with the split and redemption procedure?

Each share will be split into 4 ordinary shares and 1 redemption share. With the redemption share you can choose either to:

- do nothing. You will automatically receive SEK 8.00 per share for your redemption shares following the redemption of these shares, or
- sell all or some of your redemption shares on Nasdaq Stockholm to the prevailing market price during the period from and including May 18 up to and including June 1, 2022.

For me as a Swedish shareholder, what are the tax consequences at redemption of the redemption shares?

Shareholders resident in Sweden must report the redemption of the redemption shares in their tax returns as sale of shares, see "Tax considerations" on pages 6–7. A capital gain or capital loss is calculated, which means that shareholders may deduct part of the acquisition cost of the original share.

For me as a Swedish shareholder, what are the tax consequences upon a sale of the redemption shares?

Same tax consequences as at redemption of shares, see the reply to the previous question.

For me as a foreign shareholder, what are the tax consequences at redemption of the redemption shares?

Shareholders who are not tax resident in Sweden and participate in the redemption procedure are subject to Swedish withholding tax if their shares are redeemed, see "Tax considerations" on pages 6–7. Withholding tax will thus be withheld for foreign shareholders in connection with the payment of the redemption amount.

For me as a foreign shareholder, what are the tax consequences upon a sale of the redemption shares?

No Swedish withholding tax is due if the redemption shares are sold in the market, see "Tax considerations" on pages 6–7.

What are the tax consequences for me as a shareholder if I hold the shares in a so-called investment savings account (Sw. investeringssparkonto)?

Shares held in an investment savings account (Sw. investeringssparkonto) are subject to special rules on standardized taxation based on the calculated capital base. Redemption or sale of received redemption shares should therefore not give rise to capital gains taxation, as the calculated capital base is not based on direct capital gains.

What are the tax consequences for me as a shareholder when the ordinary share is split into 4 ordinary shares?

The receipt of shares pursuant to the share split as such does not give rise to any taxation. The acquisition cost of the original Atlas Copco shares of each series (A and B shares respectively) will be allocated between the ordinary shares and the allotted shares, which means that the acquisition cost of each share is affected. When selling the shares, a capital gain or capital loss is calculated, see "Tax considerations" on pages 6–7.



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