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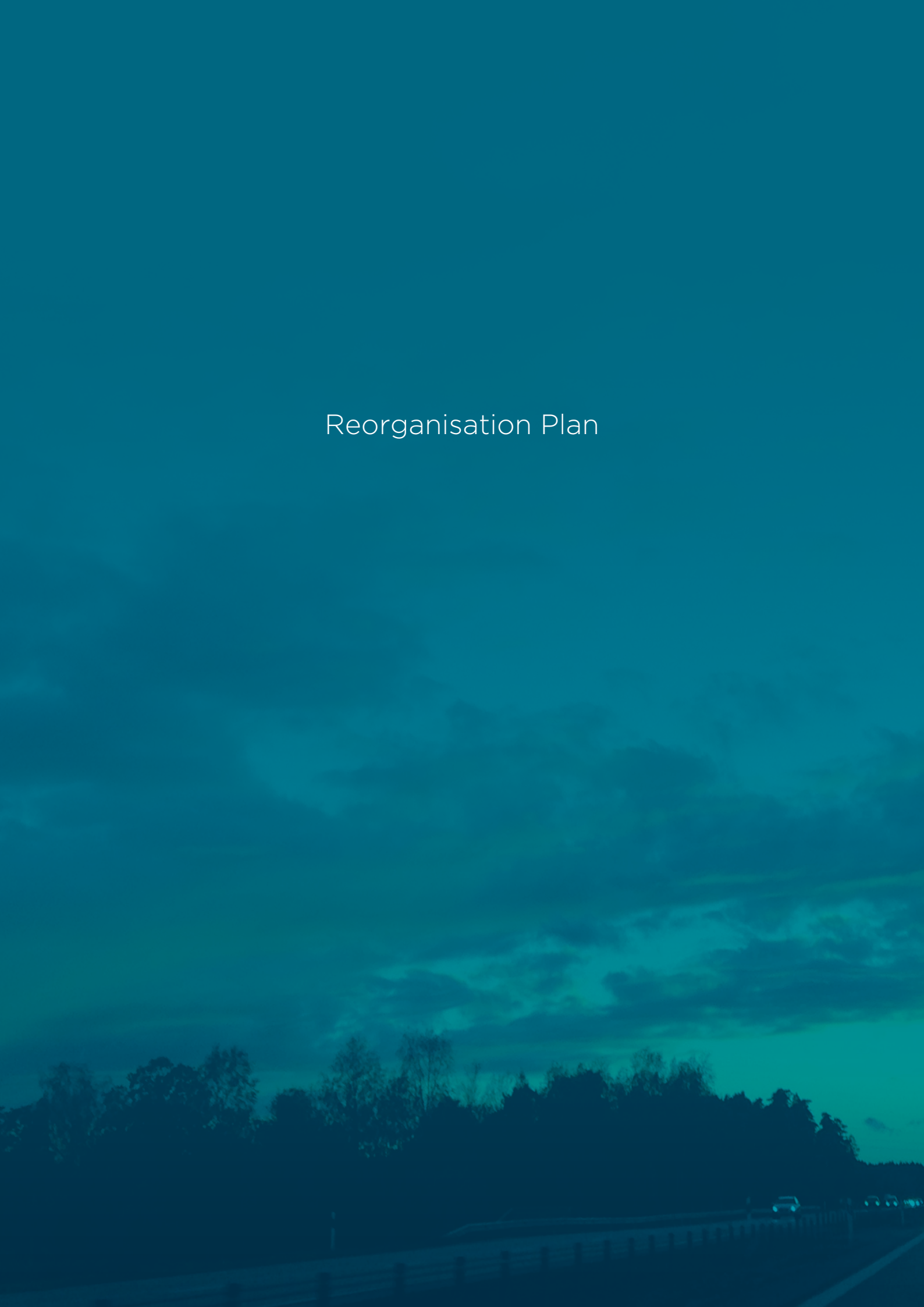
Reorganisation Plan

National Electric Vehicle Sweden AB

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Reorganisation Plan



Reorganisation Plan

District Court of Vänersborg,
case number Ä 3115-14

Company

National Electric Vehicle Sweden AB, 556889-7556
Saabvägen 5
SE-461 38 Trollhättan
Sweden

Deputies

Kai Johan Jiang
c/o State Power Group
P.O. Box 150
100083 Chaooyan D, Peking
CHINA
(board member and chairman)

Mattias Bergman
c/o National Electric Vehicle Sweden AB
Saabvägen 5
SE-461 38 Trollhättan
Sweden
(board member and CEO)

Mikael Kubu
c/o Ackordscentralen
Strandvägen 35
SE-114 56 Stockholm
Sweden
(deputy board member)

Auditor

Ernst & Young Aktiebolag
Box 7850
SE-103 99 Stockholm
Sweden

Principal auditor

Staffan Landén
c/o Ernst & Young Aktiebolag
Odingatan 13
SE-401 82 Göteborg
Sweden

Capital Stock

256 410 300 kronor

Shareholder

National Modern Energy Holdings Ltd	78 %
Qingbo Investment Co Ltd	22 %

Request and ruling on Company reorganisation

Request filed 29 August 2014
Ruling from Vänersborgs District Court 29 August 2014

Administrator

Attorney at law Lars Eric Gustafsson
Hamilton Advokatbyrå
Box 715
SE-101 33 Stockholm
Sweden

The main parts of the Reorganisation Plan

A successful reorganisation of National Electric Vehicle Sweden AB, hereafter to be referred to as the Company, implies the following steps:

- Moratorium on the payments of all claims without priority from 29 August 2014 and during at least a period of three months.
- Reduction of employees, during at least a transitional period.
- Governmental wage guarantee compensation to the Company's employees for a transitional period.
- Implementation of any of the actions described below, which includes capital injections.

1. The Administrator's tasks

The Administrator shall investigate if the Company's business can be continued in whole or in part, as well as try to establish if there is a need for an arrangement with the creditors of the Company. In consultation with the Company the Administrator shall draw up a reorganisation plan and present to the creditors how the target of the reorganisation shall be achieved. The Administrator shall act so that the interests of the creditors are not violated and so that the relationship between the creditors is not disturbed.

2. Background

Saab Automobile AB, Saab Automobile Powertrain AB and Saab Automobile Tools AB were declared bankrupt on 19 December 2011. During the spring of 2012 the Chinese controlled company National Modern Energy Holdings Ltd. ("NMEH") began negotiations with the bankruptcy estates of Saab Automobile AB, Saab Automobile Tools AB and Saab Automobile Powertrain AB

(the "Bankruptcy Estates") concerning an acquisition of the assets. The Company was formed by NMEH on 2 April 2012 and was registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on 3 April 2012 with the purpose of being the purchaser of the assets in the Bankruptcy Estates. On 12 June 2012, the Company acquired a majority of the assets from the Bankruptcy Estates. The Company also acquired all outstanding shares of Automobile Property AB, 556790-3314 ("Property"). Property owns the industrial and office facilities in Trollhättan where the Company is conducting its business.

3. Reasons for the Company's financial difficulties

After taking over the assets from the Bankruptcy Estates on 31 August 2012 the Company focused on starting up production of one vehicle model (Saab 9-3), to recreate a functioning supply chain and to ensure and maintain the functionality of the acquired assets. An important step



in the product development was to replace the existing General Motors systems to make the 9-3 model and the production facility independent from IP-rights owned by General Motors. Extensive measures were taken to replace a large number of suppliers and systems, as well to restore the IT systems of the production plant. Said measures were necessary in order to resume the car production.

The purpose of the acquisition of the assets was to produce electric cars under the Saab brand, with an initial focus on the European and Chinese market but also globally in the long-term. The original business plan of the Company was focused on product development and start-up of such production. Electric cars, however, had not previously been manufactured in the business operated by Saab, and the vehicle platforms that were part of the acquisition, including the Phoenix platform, were not adapted for such production. The years following the acquisition of the assets were therefore associated with significant development costs. This was however a part of the business plan.

In the end of 2012 the Company initiated negotiations with the Qingdao-city-owned company Qingbo Investment Co, Ltd ("Qingbo") that Qingbo would become a shareholder of the Company and that a joint venture would be formed in Qingdao for future production of cars. An investment agreement was entered into on 7 January 2013 whereby Qingbo acquired 22 percent of the shares in the Company through a directed share issue at a total subscription price of approximately MSEK 649 during spring 2013. In addition, Qingbo promised to provide a shareholder loan for an additional amount of MSEK 1 150 to the Company in order to finance the first phase of the business plan. Qingbo also signed a supply agreement for the first completed 200 electric cars and the parties initiated a dialogue regarding delivery of larger volumes of electric vehicles as well as conventional petrol powered cars.

In order to disburse the loan, Qingbo demanded that the production of petrol powered cars would be resumed during the year 2013. The reason for this was that Qingbo assessed that the Chinese market was not deemed fully mature for electric cars and that in the present situation there was a larger market for a petrol powered Saab 9-3. The Company was thus compelled to initiate a very extensive and costly operation to allow a restart of the production of the Saab 9-3 Sedan. In the context it may

be noted that the Saab 9-3 electric car is composed of 80 percent of the same components as the petrol powered Saab 9-3, which creates large production synergies. The production of the petrol powered Saab 9-3 could also begin earlier than the production of the Saab 9-3 electric car. The reason for this was that the petrol powered Saab 9-3 was already developed and tested while some development measures persisted for the Saab 9-3 electric car.

The first pre-series of the Saab 9-3 Aero Sedan 2014 was manufactured on 18 September 2013. On 2 December 2013 a series production of low volume was started, since the supply chain was not yet ready for a higher rate. A total of 411 cars were manufactured during the spring of 2014. The first deliveries to external customers were conducted in April 2014, after all certification had been made.

In spite of the fact that the Company resumed the production of petrol powered cars, Qingbo did not to pursue its promised financial commitments. The loan from Qingbo was a decisive factor for the pursuance of the Company's business plan. The principal owner NMEH alone could not bear the costs of both operations and development. In the spring of 2014 NMEH found it increasingly difficult to single-handedly release and transfer capital from China at the pace required. The Company started negotiations in early 2014 with a number of large asian vehicle manufacturers regarding partnership. The reason for this was that the Company needed a stronger ownership, as well as collaboration with a vehicle manufacturer that could result in shared development costs, lower purchasing costs and other synergies. A strong partner and a partnership with another vehicle manufacturer has always been a goal in the Company's business plan. Qingbo failing to pursue its loan commitment led to a difficult financial situation and forced the Company to accelerate its negotiations. In late May 2014 the Company was compelled to stop vehicle production in the plant and to reduce the number of external consultants, all in order to lower its operating costs and minimize its payables.

During the summer of 2014 the Company found it increasingly difficult to cope with the current liquidity of the business, which led to that the Company in the end of August 2014 decided to apply for reorganisation. The Company was granted reorganisation by the District Court of Vänersborg on 29 August 2014.

4. Financial status

Corporate group Statement of comprehensive income during the period 3 April 2012 - 31 August 2014

	3 Apr 31 Dec 2012 (SEK thousand)	1 Jan - 31 Dec 2013 (SEK thousand)	1 Jan - 31 Aug 2014 (SEK thousand)
Net sales	13 537	47 428	47 695
Cost of sales ^{1), 2)}	-11 194	-32 779	-32 628
Gross profit	2 343	14 649	15 067
Other operating income	0	10 530	6 292
Administrative expenses ^{1), 2)}	-99 826	-269 298	-275 851
Other operating expenses ^{1), 2)}	-79 020	-364 013	-375 151
Result after operating items	-176 503	-608 132	-629 643
Financial income	55 136	9 444	0
Financial expenses	0	-42	-20 606
Result after financial items	-121 367	-598 730	-650 249
Taxes	0	0	0
Net result	-121 367	-598 730	-650 249
Other comprehensive income	0	0	0
Comprehensive income for the year	-121 367	-598 730	-650 249
Comprehensive income attributable to:			
The shareholders of the parent company	-121 367	-598 730	-650 249
Total comprehensive income	-121 367	-598 730	-650 249

¹⁾ Write-downs of tangible assets are included in:

Cost of sales	667	0	0
Administrative expenses	0	185	9 212
Other operating expenses	24 429	80 818	62 457

²⁾ Write-downs of intangible assets are included in:

Cost of sales	0	0	0
Administrative expenses	6 667	22 000	14 764
Other operating expenses	667	4 924	51 028



Selected parts of the cash flow for the corporate group during the period 3 April 2012 - 31 August 2014

	3 Apr 31 Dec 2012 (SEK thousand)	1 Jan - 31 Dec 2013 (SEK thousand)	1 Jan - 31 Aug 2014 (SEK thousand)
Investing in fixed assets	-1 134 128	-163 844	-220 560
Acquisition of technology, licenses and patents	-550 000	-50 000	0
Other investing activities	-250	0	0
Development costs and licenses	-30 845	-225 990	-212 473
Cash flow for the investing	-1 715 223	-439 834	-433 033
Issues of new shares	200 000	648 718	0
Shareholder contributions	125 000	0	0
Borrowings	1 587 537	267 091	553 789
Other financing activities	0	9 525	0
Cash flow for the financing	1 912 537	925 334	553 789

A preliminary reorganisation balance sheet has been drawn up by 29 August 2014, which includes book values. The reorganisation balance sheet is attached as [Appendix 1](#).

The Company's most significant physical assets consist of the factory premises and the testing and research center situated on the industrial property in Trollhättan, together with the shares in Property, with a book value of MSEK 600 000. It may be noted that there is an external appraisal, dated 31 May 2013, in which Property is valued at MSEK 1 000. In addition, the Company holds intangible assets, consisting of research results, product development and know-how, which in a going concern must be considered as a substantial part of the business value.

As shown in the reorganisation balance sheet, the book value of the Company's aggregate assets amounts to about MSEK 2 600, while the Company's total liabilities amounts to about MSEK 1 900, which about MSEK 1 148

is a subordinated debt to the Company's parent company NMEH. In the event the Company would be declared bankrupt, the assets would probably however amount to a considerably lower value than the booked value. Part of the Company's assets is burdened with pledges and other collaterals. In addition, the value of the pledged shares in Property would probably drop significantly in the event of a bankruptcy of the Company. The reason for this is that Property's operating revenues would be greatly reduced, risking losses in Property. Further, in a bankruptcy situation the bankruptcy trustee's fee would be paid out of the assets prior to distribution to the creditors.

The unsecured creditors are not expected to receive full dividend from the distribution in the event of bankruptcy despite the high book value of the assets. It should also be noted that a definite dividend proposal with a final dividend to creditors in case of bankruptcy likely is five years ahead in time.

5. Reorganisation of the business

The aim of the reorganisation is to create long-term profitability for the Company.

Ongoing negotiations

The Company's application for reorganisation and the letter that the administrator sent to the Company's creditors on September 4 2014, show that the Company, for some time, has been negotiating with two major automotive manufacturers, located in Asia, which have expressed interest in investing in the Company's business. As stated in the letter, one of the manufacturers is especially interested in incorporating the Saab car as a premium brand in its existing vehicle group, which would lead to significant investments in the creation of an extensive premium vehicle program based on the Company's development resources and intellectual property. The other vehicle manufacturer is focused on establishing collaboration in research and development through a joint venture. Such a transaction would mean that one vehicle manufacturer acquires part of the shares in the Company and undertakes to keep injecting the funds required for pursuing the business plan that the parties have jointly developed during the negotiations. The portion of the Company's business relating to research and development would be disjointed and placed in a joint venture in Trollhättan, owned half each by the Company and the other vehicle manufacturer. Both partners would however undertake to inject funds to cover the development costs for the jointly owned company.

Said negotiations, which now constitute tripartite negotiations, are still ongoing. The business case is illustrated in general in [Appendix 2](#).

The Company has also entered into negotiations with other parties that have expressed interest in the production and facility resources in Trollhättan. These negotiations, which were initiated after the initiation of reorganisation, might result in sales of all shares in the Company or in an agreement on contract manufacturing and development projects.

In this context, it may be noted that it could be possible to carry out a business deal from a combination of the above transactions.

No binding agreement has yet been reached between the Company and any of the aforementioned parties. Negotiations are ongoing and several achievements have been made during the latest week considering the

Asian vehicle manufacturers. The opportunities are good for the Company to enter into an agreement with any of the interested parties in the near future. However, the Company is presently considered to lack the ability to carry the operating costs in the current business independently in the long term. Hence, the undersigned administrator together with the Company's management has considered it necessary to develop a supplemental business plan. The supplemental business plan is an alternative to the abovementioned negotiations as to ensure a successful reorganisation of the Company's business. The Company has dismissed 155 employees during the reorganisation, mainly within the production department, and has also reduced its IT-costs. This has been made in order to reduce the Company's ongoing costs. The supplemental business plan, Plan B, is described in more detail below.

Plan B

- restructuring to contract manufacturing

The Company's production facility and technical development center is considered to maintain a very high international standard in the automotive industry. The fact that competing vehicle manufacturers regularly retains the services of the Company's development center for automotive testing shows this. The Company also has access to a number of employed engineers, most of whom have extensive experience in vehicle development. The competence that the Company's employees possess brings international attractiveness, because of the present situation with a shortage of engineers in many countries.

The Company has previously been approached by a number of other vehicle manufacturers who presently holds facilities with a lack of capacity. Said actors have had an interest in the Company's production facility and press-shop as well as its development center. Previously, the Company has chosen to decline the offers of contract manufacturing on a large scale because of the focus on maintaining the resources and capacity for implementing the Company's own business plan.

The supplemental business plan, with working title "NEVS Industrial Services", focuses on the first hand in complementing the Company's main track, by using the Company's assets in assignments with external customers. The two Asian automotive manufacturers that the Company is negotiating with are positive to this as long as it does not prevent the implementation of the

Company's main business. This may lead to that one shift in the production is used for external customers and the remaining two shifts are used for the Company's own production.

Under the condition that the ongoing negotiations does not result in an agreement within required time, the Company is preparing to establish itself as a leading contract manufacturer and development partner towards other vehicle producers. Although there exist other major contract manufacturers and a number of development companies within the automotive industry, these players do not have such full-service facility for both development and production as the Company, nor have they access to the equivalent of engineering resources.

With a restructuring to contract manufacturing and development, a business structure would be established in which the Company would be acting as business partner to other vehicle manufacturers that will purchase the Company's capacity. The business will be divided into two main parts, a facility for automobile production and a development center. The Company will be using its staff to offer customers valuable skills both in terms of production and testing in the production facility as well as technical engineering expertise in the development center. Given the size of the plant, the Company is estimated to be in a good position to engage in manufacturing and development for several major customers in parallel.

A transition to contract manufacturing requires significant adjustments being made to the Company's production plant, which today is adapted for Saab cars. The conditions are good for obtaining financing for the necessary adjustments from the vehicle manufacturers that have expressed interest in hiring the Company for contract manufacturing, as well as from the engineering companies that is located in Trollhättan today, who would benefit from a sustained relationship with the Company in a reorganised business. It may further be noted that the Swedish government, in conjunction with the financial crisis in 2008, has dedicated a total amount of SEK 3 billion to be invested in the Swedish automotive industry through the private equity firm Fouriertransform AB. Fouriertransform AB has established cooperation with the Company through its subsidiaries LeanNova Engineering AB and Vicura AB. LeanNova Engineering AB and Vicura AB are technology- and development companies that are currently leasing premises in the Company's development facility.

Furthermore, the Swedish state-owned company Orio AB (former Saab Automobile Parts AB), who is already a customer of the Company, is interested in continuing the cooperation with the Company regarding manufacturing of spare parts.

To sum up, there are opportunities to find funding for Plan B from the venture capital market in combination with one or more existing players in the automotive industry.

The business case for contract manufacturing is illustrated in general in [Appendix 3](#).

With a transition to contract manufacturing and development, the Company is considered likely to achieve profitability without selling whole or parts of the business to a third party. Through transition from in-house production to contract manufacturing, the Company's liquidity is estimated to be improved significantly, and to such extent that the Company, after initial external funding for adaptation of the facility, will be able to carry the running costs of the reorganised business on its own.

6. Concluding remarks

From what is described above it can be concluded that the Company has made progress in the ongoing negotiations with the two Asian vehicle manufacturers. Such a deal would ensure that the Company's business plan for car production is implemented. It should also be stated that there exists a substantiated alternative plan of action, Plan B, consisting in the provision of contract manufacturing and development services to other vehicle manufacturers. Plan B is also expected to generate profitability in the longer term.

In conclusion, the undersigned administrator assess that the conditions are good for achieving a successful reorganisation of the Company and its business. The reorganisation should therefore continue until 29 November 2014.

Stockholm 2 October 2014



Lars Eric Gustafsson
Administrator



Appendix 1

Schedule of assets and liabilities

Schedule of assets and liabilities

District Court of Vänersborg,
case number Ä 3115-14

Company

National Electric Vehicle Sweden AB, 556889-7556
Saabvägen 5
SE-461 38 Trollhättan
Sweden
(hereinafter referred to as "NEVS")

Administrator

Attorney at law Lars Eric Gustafsson
Hamilton Advokatbyrå
Box 715
SE-101 33 Stockholm
Sweden

Balance per date

29 August 2014 (date of application)

Prepared

2 October 2014

ASSETS

Book value in SEK

Assets covered by specific rights of priority

Fixed assets

Intangible

969 356 531

Rem. SEK 435 023 172 of the outlined amount relates to capitalized costs for research and development after depreciations made during NEVS's activity period. The remainder, SEK 534 333 359, relates to intangible assets acquired from the bankruptcy estates of Saab Automobile group.

Tangible

791 758 763

Rem. Relates to tools and machinery, of which approximately SEK 515 000 000 consists of tools and machinery acquired from the bankruptcy estates of Saab Automobile group. The remainder of the conducted amount relates to purchases made during NEVS's activity period.

Financial

Shares

600 050 000

Rem. Relates to shares in Automobile Property AB with a booked value of SEK 600 000 000 and shares in Automobile Laboratory Sweden AB with a value of SEK 50 000.

Deposits

1 085 000

Rem. Relates to deposits made in favor of various suppliers. The deposited amounts may be set-off by the suppliers against claims that the suppliers have towards NEVS.



Book value in SEK

Current assets**Stock****Complete cars**

43 200 000

Rem. Refers to 225 cars with a value of SEK 192 000 per car. The cars are pledged to Svea Ekonomi AB as security for its claim against NEVS, see below.

Raw materials

177 551 294

Accounts receivable

17 952 859

Rem. NEVS has debts to some customers due to mutual deliveries of goods. An offset by the customers may result in a reduction of the amount to net SEK 2 275 055.

Current receivables

32 143 768

Rem. Relates to VAT receivables of SEK 12 526 646 against tax authorities in other EU countries, VAT receivable of SEK 1 625 352 against the Swedish Tax Authority, deposits of SEK 17 746 051 made to various suppliers, that may have counterclaims of substantial amounts, and other current receivables of SEK 245 719

Prepaid costs and accrued income

4 798 741

Rem. Relates to prepaid insurances and leases. These amounts are accrued over the respective contract term and will probably not have any realizable value, whereby this post likely amount to SEK 0.

Assets not covered by specific rights of priority

Bank balance**Skandinaviska Enskilda Banken**

683 227

Rem. Balance of total SEK 682 358 on various corporate accounts in Skandinaviska Enskilda Banken, of which SEK 669 573 is blocked in favor for two different individual beneficiaries. Furthermore, an amount of SEK 869 is available on a foreign currency account. The total available amount is SEK 13 654.

Danske Bank

50 000

Rem. Blocked for the benefit of insurance costs.

Total assets**2 638 630 183**

Debts

Book value in SEK

Prioritised debts

General rights of priority

**10 § 2 and 3 p with 15 § Rights of Priority Act;
reservation for reorganisation costs and costs for
special measures taken** 5 000 000

Rem. Relates to the administrator's fee and remuneration to MAQS Law Firm acting as a legal adviser to NEVS.

**10 § 4 p Rights of Priority Act
Ackordscentralen Stockholm AB** 1 875 000

Rem. Relates to remuneration for legal advice during a period of three months with a monthly cost of SEK 625 000.

Hewlett Packard Sverige AB 3 004 386

Rem. Relates to the delivery of IT systems, service and support. According to an agreement entered into during the reorganisation period NEVS has to pay SEK 2 569 876 in advance for September of a total monthly cost of SEK 5 574 262. The remaining monthly cost of SEK 3 004 386 is billed with 30 days credit.

National Modern Energy Holdings Limited 20 000 000

Rem. Relates to a loan given to NEVS by the parent company to partly finance the reorganisation.

Solidum AB 13 500 000

Rem. Relates to a loan of SEK 12 000 000 taken during the reorganisation period. The arrangement fee amounts to SEK 1 500 000 and the annual interest rate is 12 %.

Management of NEVS 1 835 000

Rem. Relates to termination payment for two persons in the management of NEVS during a period of six months.



Specific rights of priority

4 § Rights of Priority Act, pledged shares

The bankruptcy estate of Saab Automobile AB

0

Rem. The shares in Automobile Property are pledged to the bankruptcy estates of the Saab Automobile group as security for a conditional claim against NEVS. Given that no claim either has been raised or submitted, no amount is outlined here.

4 § Rights of Priority Act, pledged cars

Svea Ekonomi AB

41 154 470

Rem. Relates to a loan of SEK 35 million which, after settlement for sold cars, amounts to SEK 34 069 443, accrued interest of SEK 751 694 and fees of SEK 6 333 333. The Company's cars are pledged to Svea Ekonomi AB. The book value of the cars per 29 August 2014 amounts to SEK 43 200 000 as described above.

5 § Rights of Priority Act, floating charge

Svea Ekonomi AB

0

Rem. Svea Ekonomi AB has securities in the form of floating charges amounting to SEK 43 million with specific rights of priority for its claim described above. Given the above assessment that Svea Ekonomi AB has coverage for its claim in the pledged cars, no amount is conducted here.

5 § Rights of Priority Act, floating charge

Hewlett-Packard Sverige AB

21 000 000

Rem. Hewlett-Packard Sverige AB has a claim of SEK 26 763 019. Given that Hewlett-Packard Sverige AB has a security in form of a floating charge of SEK 21 million within 96 million, 21 million is conducted here and the remainder under 18 § Rights of Priority Act below.

General rights of priority

12 § Rights of Priority Act; wage costs

2 644 703

Rem. Relates to accrued vacation pay of SEK 2 572 203 for NEVS' employees and to SEK 72 500 for an employee who has received the maximum wage guarantee for August 2014. The costs have right of priority according to a preliminary assessment.

Total prioritised debts

110 013 559

Book value in SEK

Unprioritised debts

Without any rights of priority

Wage costs

Länsstyrelsen i Västra Götaland

39 252 670

Rem. Relates to wage guarantee payment of SEK 20 877 898 regarding August 2014 and wage guarantee payment of SEK 18 374 772 regarding the period 1-29 September 2014.

Payroll expense

56 979

Rem. Employees with claims that are not entitled to any right of priority. The amount may be adjusted.

Accounts payable

464 409 279

Rem. Relates to accounts payable.

Hewlett-Packard Sverige AB

5 763 019

Rem. Relates to the unprioritised part of the total debt of SEK 26 763 019 which is not covered by the floating charge of SEK 21 MSEK.

Other current liabilities

National Modern Energy Holdings Limited

28 378 889

Rem. Debt in the amount of USD 4 070 000, corresponding to SEK 28 378 889, to the parent company. The amount is restated as of 29 August 2014 with an exchange rate of SEK 6,9727 per USD 1.

Automobile Property AB

101 971 511

Rem. Debts to the subsidiary according to the debt settlement account.

Total unprioritised debts

639 832 347

Total assets

2 638 630 183

Total debts

749 845 906

Subordinated debts

National Modern Energy Holdings Limited

1 148 073 170

Rem. Subordinated debts in the amount of USD 164 652 598, corresponding to SEK 1 148 073 170, to the parent company. The amount is restated as of 29 August 2014, with an exchange rate of SEK 6,9727 per USD 1.

Sum of debts

1 897 919 076



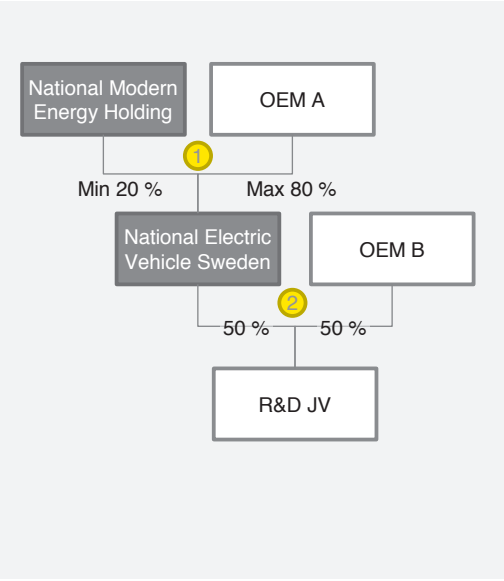
Appendix 3 Master Plan

Attachment 2: Master Plan

The OEM track

The Master Plan (Scenario A) is to remain an automotive OEM.

DEAL STRUCTURE

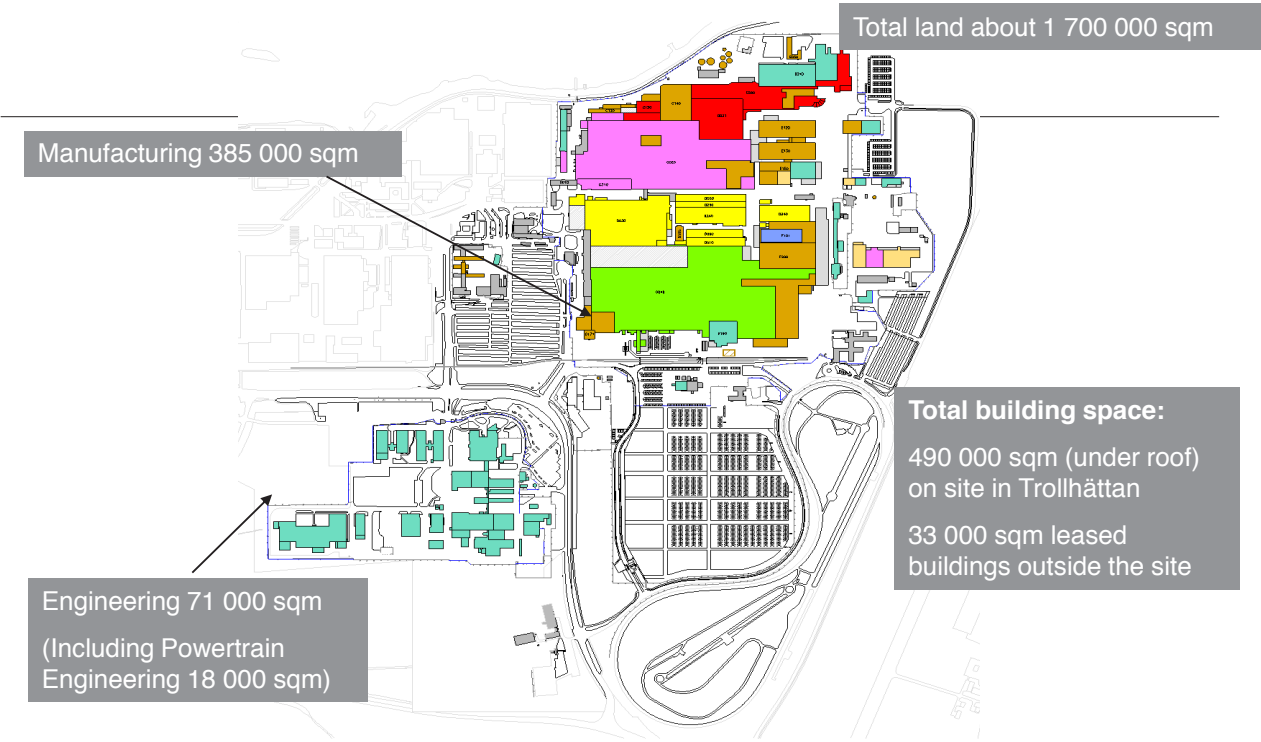


DESCRIPTION OF TRANSACTIONS

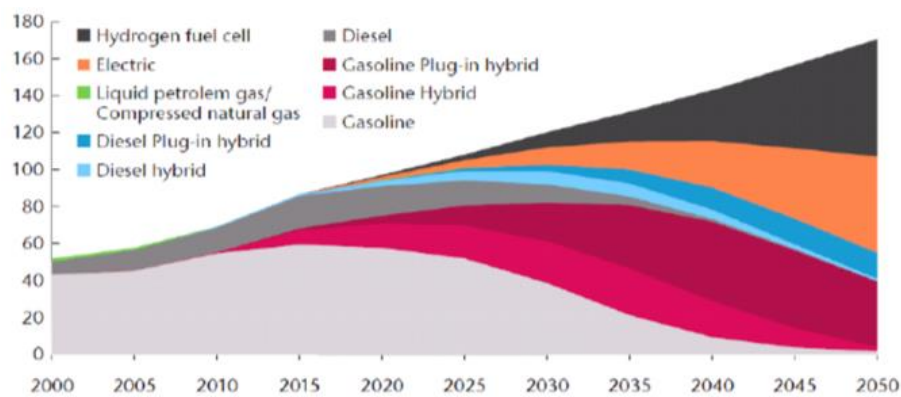
- 1 Transaction 1: OEM A becomes part owner in Nevs**
- OEM A invests in Nevs and obtains a substantial majority ownership through a new share issue.
 - NMEH and OEM A want that Nevs shall be a global OEM of conventional and electric premium vehicles based on innovation and design.
 - Nevs strengthens its financials since the investment from OEM A is a new share issue in Nevs.
- 2 Transaction 2: OEM B and Nevs form an R&D joint venture**
- Nevs forms a subsidiary ("R&D JV") including the IP, TDC buildings, laboratories and engineering assets and owns 100% of it.
 - OEM B obtains 50% ownership in the R&D JV by purchasing shares from Nevs and investing directly in the R&D JV.
 - Nevs including OEM A and OEM B want that the R&D JV shall be a joint technical development center to find synergies in development, sourcing and production.
 - Nevs strengthens its financials since the investment from OEM B mainly is a purchase of shares from Nevs.

National
Electric Vehicle
Sweden

Trollhättan - Site map



The role of gasoline and diesel will decline and electric vehicles (Evs) and other alternative powertrains will take over



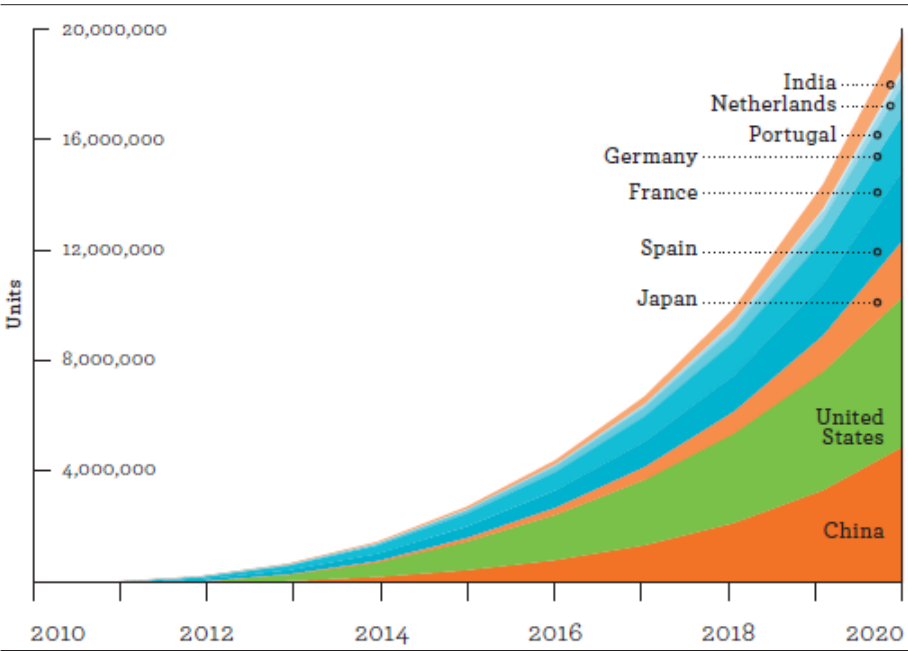
Source: IEA and Booz & Company analyses

National
Electric Vehicle
Sweden

Targeting the growing Electric Vehicle market

The EV market based on
national goals.

Source: EVI Global EV outlook



SAAB

Trollhättan 2014-10-02

Master Plan - OEM track

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National
Electric Vehicle
Sweden

Neva's state-of-the-art manufacturing facility in Trollhättan

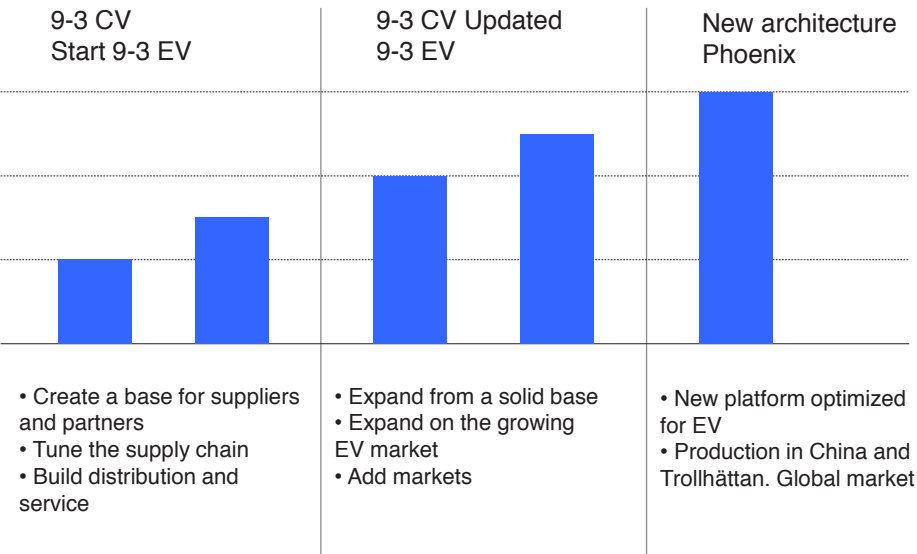
Examples of investments

- 1999 – new, low emission paint shop
- 2002 – retooled for current 9-3 production
- 2004 – new ergonomic & flexible assembly line

Capacity	
	Max
Platform	3 + pilot
Body styles	7 + pilot
Capacity / year 2-shift	120 000
Capacity full utilization	190 000
JPH	39

- Significant investments have been made since year 2000 to modernize, improve efficiency, and lower environmental impact
- The plant have a high volume and mix flexibility
- The factory in Trollhättan is one of the lowest cost manufacturing facilities in Western Europe

Expansion model



National
Electric Vehicle
Sweden

News first EV showed to the public in Trollhättan in August

Saab 9-3 EV

200 km range



SAAB

Trollhättan 2014-10-02

Master Plan - OEM track

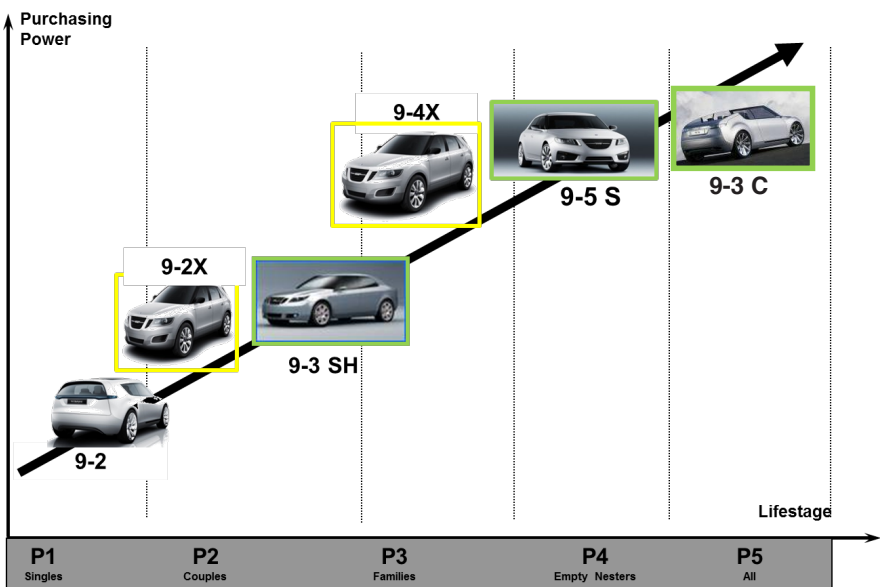
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National
Electric Vehicle
Sweden

Full potential product portfolio on the Phoenix platform

9-2, 9-2x, 9-3, 9-4x, 9-5

Nevs intends to launch 4 new models



Images not on the actual cars, only for illustration puposes



High performance battery factory within the Group

- Beijing National Battery Technology Co Ltd

- The batteries are based on Japanese engineering using LFP (lithium iron phosphate, LiFePO_4) technology
- They deliver high energy density: 146 Wh/kg, exceeding the current offering in the electric vehicle market. Higher performance batteries are developed and will be put in use in Saab cars
- An engineering staff of 30 will work in research and development of battery technology
- Batteries are currently delivered for use in urban electric buses in China.



National
Electric Vehicle
Sweden

A new take on car distribution



The background of the page is a monochromatic blue-tinted photograph. It depicts a dense forest of evergreen trees in the lower third of the frame. Above the trees, the sky is filled with soft, wispy clouds. The overall mood is serene and natural.

Appendix 3

The Complementary Plan

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Attachment 3: The Complementary Plan

Nevs Industrial Services

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Complementary plan - Nevs Industrial
Services

Page 1

Attachment 3: The Complementary Plan**Nevs Industrial Services:
Complete car projects in TDC and Production**

The Complementary Plan (Scenario B) is a complement to the OEM Plan (Scenario A). If the OEM Plan is realized, the Complementary Plan should be run in parallel in order to create more business for Nevs and thereby reduce the financing need. If the OEM Plan is not realized, Nevs will be able to be profitable only from the Complementary Plan.

The Complementary Plan (Scenario B) describes a situation where Nevs functions as a contractor for complete car development and manufacturing. Each business unit is seen as a stand alone unit that contributes to the Nevs group. The press shop delivers both sub contractor jobs and parts for the complete cars being built by Nevs. TDC is performing development work aiming at larger projects resulting in a ramp up period while at the same time balancing with smaller jobs. The laboratories are facilitating both internal and external work.

Highlights of the plan:

- Production volume one shift (the factory can handle up to 200 000 cars/year)
- Start of production 2016
- Several customers in pipeline, whereof a number are prospects for full car manufacturing
 - OEM A
 - OEM B
 - Actor C

Background

Market opportunity for industrial services

Market opportunity

- The market for modern vehicle platforms and technologies in the emerging countries is increasing. The focus on sustainability is growing strong within the whole industry, and a measure on sustainable development is not just emissions, but quality, durability, safety, etc.
- The demands for alternative propulsion systems are increasing as standards are implemented of emission levels and fuel consumptions. This requires innovative solutions and big investments in both enhancements and new technologies.
- The total market of related engineering services is a multi-billion dollar market.
- Very few, independent companies, can manage complete vehicle development and manufacturing programs. From press shop to complete vehicle, including full-scale lab facilities.

Long automotive experience

- Saab has been developing and producing products on a global market for more than 50 years. A knowledge base inherited by Nevs.
- During the GM period investments and expansion were made at Saab in Trollhättan to fit the GM Global Product Program. As a stand alone company we can offer products and services to the open market

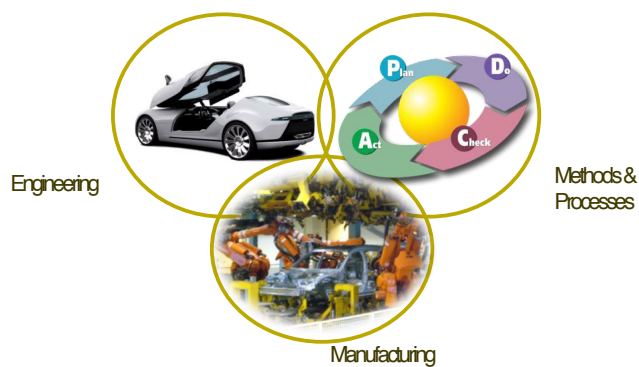
National
Electric Vehicle
Sweden

Nevs Industrial Services

Business idea

Nevs Industrial Services' business idea is to:

"Provide innovative and excellent engineering solutions and manufacturing capability established on an industrial base and automotive experience from concept to industrialization."



Utilizing the knowhow of our engineers and the facilities in Trollhättan to attract customers and/or partners to offer:

- Complete Development Responsibility including Vehicle Platforms
- Manufacturing Resources
- Laboratory Resources

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Complementary plan - Nevs Industrial Services

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Automotive

From idea to complete vehicle



Engineering

Wide range of engineering competences to support development needs



Styling

Saab Design has core competence in all areas necessary to run a complete vehicle design development project or to support design of any product



Project management

Complete responsibility from idea to product



Methods & Processes

Development processes, Quality follow-up, benchmarking



Manufacturing , Production capacity, Prototyping

Press shop, Body shop, Paint shop, Prototype Shop and General Assembly

National
Electric Vehicle
Sweden

Business opportunities

Be a full service provider - niche competence in electric vehicles

Strategy:

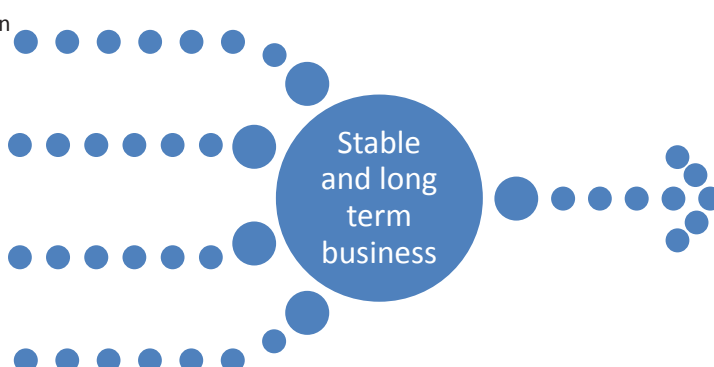
1. Concentrate on complete vehicle development programs. This will load the entire organization. There are few competitors and we have a cost advantage of a relatively small and efficient organization.
2. Sell smaller technology and lab based jobs to balance capacity.
3. Sell complete car manufacturing preferably in combination with complete development
4. Maintain and develop parts production both for after market and new cars
5. Develop and sell 540 platform or parts (Phoenix) on licenses to get up front cash payment
6. Sell special competence within electric propulsion, EV integration and RESS (Rechargeable Energy Storage System) development
7. Develop unique EV offer as additional business model based on competence and network

Vehicle/platform/powertrain
programs (50-500 MSEK)

Smaller technology based
jobs (1-10 MSEK)

Complete car
manufacturing

Parts production



Page 6

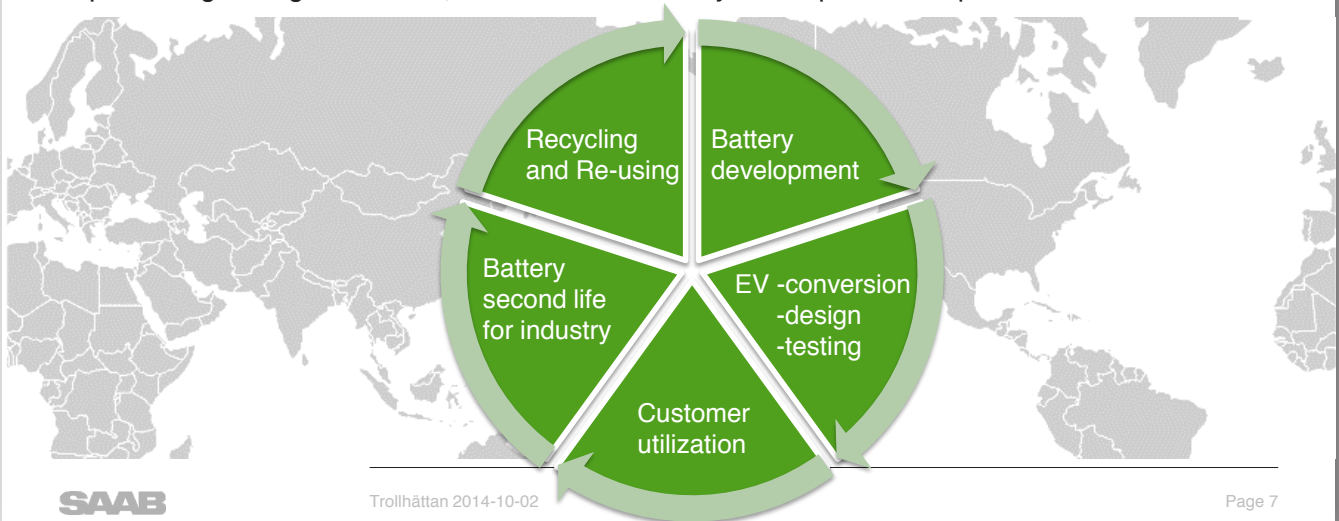
National
Electric Vehicle
Sweden

Business Opportunities

Global EV service and development offer

Nevs has, due to the years of focus on batteries and EV propulsion, the opportunity to become a global front runner in terms of EV offers. Offers in pipe line includes both EV development and integration as well as development of stand alone products targeting a world market.

Nevs close network and owner group includes business entities focusing on clean energy solutions, Japanese light weight research, state of the art battery development and production.



SAAB

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National
Electric Vehicle
Sweden

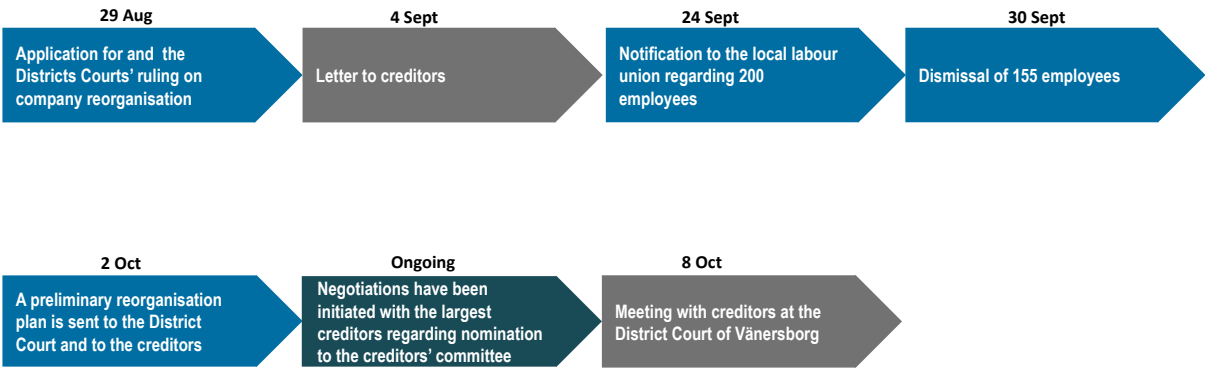
Complementary Plan (Scenario B)

Complete car projects in TDC and Production

Activity		2014			2015												2016												2017																	
		Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4								
Production		10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12						
	Sell complete car projects	Sell																																												
	Prepare for production				Prepare for Start of Production																																									
TDC	Run regular production																Regular production one shift																													
	Sell & deliver small projects	Sell & deliver consultants & small projects (development, labs, purchasing, supplier quality, etc.)																																												
	Sell top hat projects	Sell																																												
	Deliver top hat project 1																Deliver (200-300 engineers)																													
	Deliver more top hat projects																Deliver (200-300 engineers) Deliver (250-500 engineers)																													

NEVS subject to reorganisation- timetable

Important events during the period 29 August – 8 October 2014



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NEVS subject to reorganisation- timetable

Important events during the period 9 October – 29 November 2014

Plan A

Ongoing negotiations with OEM-manufacturers regarding JV/TDC

Plan B

Discussions with investors regarding NEVS Industrial services

Agreement regarding issue of new shares in NEVS

The reorganisation period of 3 months expires on 29 November

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