



The statement of the Board in accordance with Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act (2005:551) regarding proposed distribution of profits and mandate to buy back company's shares

The Board is required by the provisions of Chapter 18, section 4 and of Chapter 19, section 22 of the Swedish Companies Act to issue the following statement.

The Board's motivation that the proposal for the distribution of profits and the proposed mandate to buy back to company's class B shares accords with the provisions in Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act follows herewith:

The nature, scope and risks of the business

The nature and scope of the business are described in the articles of association and the annual reports presented. The business in which the company and the Group engages involves no other risks besides those associated with or which may be assumed to be associated with the sector or the risks normally associated with business operations. As regards significant events, reference is made to the administration report. In addition to what is stated there, no other circumstances have occurred to affect the company's ability to distribute dividends. The company's dependency on the business cycle does not differ from what is otherwise the case in the sector.

The financial position of the company and the Group

The 2018 annual report shows the company's and the Group's financial position as of 31 December 2018. The annual report also describes the principles applied when assessing the value of assets, provisions and liabilities.

The proposed allocation of profits shows that the Board of Directors proposes a dividend of SEK 5 per share. This dividend corresponds to 7,7 percent of the equity in the parent company and 7,1 percent of the equity in the Group. On 31 December 2018 non-restricted equity in the earnings retained by the parent company and the Group totalled SEK 4 010 million and SEK 4 076 million respectively. The Board of Directors proposes May 17, 2019 as the record day for the distribution of profits. The annual report shows that the ÅF Group's equity/assets ratio is 41,4 percent. The proposed distribution of profits and the proposed mandate to buy back the company's own shares do not in any way jeopardise the completion of investments that are deemed necessary.

Due to the new share issues authorized by the Extra General Meeting of January 16, 2019, the number of outstanding shares has increased by 6 576 866 through a directed issue in March 2019 and may increase further as a result of the rights issue resolved upon by the Board of Directors on March 20, 2019. All such shares will be eligible for the dividends for 2018, to be resolved upon by the Annual General Meeting 2019.



The proposed distribution of profits and the proposed mandate to buy back the company's own shares do not affect the company's ability to fulfil its current and future payment obligations in a timely manner. The company's financial position does give rise to any conclusion other than that the company can continue to carry on its business and be expected to meet its obligations in both the short term and the long term. Taking into account the proposed distribution of profit and the proposal to acquire the company's own shares, it is the opinion of the Board of Directors that the amount of equity in the company is in reasonable proportion to the scope of company's business and the risks associated with the running of the company.

Justification of the proposals relating to the distribution of profits and the buyback of the company's shares

With reference to the above and otherwise to the best knowledge of the Board of Directors, the Board is of the opinion that an overall assessment of the company's and the Group's financial position justifies the proposed distribution of profits and proposals for a mandate for the buyback of the company's own shares with regard to the requirements that the nature, scope and risks of the company's business place on the size of the equity in the company and the Group and on the company's and group's consolidation needs, liquidity and position in general.

Stockholm, March 2019
ÅF AB (publ)
Board of Directors

This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.