

Statement by the Board of Directors pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act

Nature, extent and risks of operations

The nature and scope of the Company's operations are specified in the Articles of Association and published annual reports. The operations conducted in the Company and group companies do not give rise to risks in addition to what occurs or can be expected to occur in the sectors concerned or the risks that are in general inherent to conducting business activities. With regard to significant events, reference is made to what is stated in the management report in the most recent annual report. In addition to this, no events have occurred that have a negative impact on the Company's ability to transfer value to its shareholders. The Company's dependence on the business cycle does not deviate from that which exists within the sectors concerned.

Financial position of the Company and the Group

The financial position of the Company and the Group at 31 December 2017 is presented in the most recent 2017 annual report. Furthermore, the principles applied for valuation of assets, provisions and debt are presented in the annual report.

In the proposed distribution of profit, the Board proposes a dividend for 2017 of SEK 2.00 per Class A share and SEK 2.00 per Class B share. The total dividend on Class A shares and outstanding Class B shares amounts to SEK 638 million based on the number of shares as per 15 February 2018.

In addition, the Board proposes authorisation for the Board to purchase treasury shares of Class A and Class B. In the event of full utilisation of the proposed repurchase mandate for purchase of Class B treasury shares, the value transfer would correspond to approximately SEK 548 million calculated on the market price as per 15 February 2018.

Consolidated equity attributable to owners of the parent as per 31 December 2017 amounted to SEK 9,660 million and the parent company's unrestricted equity amounted to SEK 7,455 million.

Presentations in the annual report include that the Company's equity ratio amounts to 87 per cent (78) and consolidated equity to 46 per cent (45). The Company has, including agreed credit limits, access to substantial cash and cash equivalents. The financial position of the Company and the Group is strong. The proposed value transfers (dividend and possible repurchase) do not jeopardise the completion of investments regarded as necessary.

The value transfers do not affect the ability of the Company and the Group to meet existing and anticipated payment obligations at the right time. The liquidity forecasts of the Company and the Group include preparedness to manage variations in current payment obligations.

The financial position of the Company and the Group does not give rise to any assessment other than that the Company and the Group can continue their operations and the Company and the Group can be expected to meet their obligations in the short and long term.

In the opinion of the Board, the size of equity as reported in the most recent annual report is in reasonable proportion to the scope of the Company's activities and the risks inherent with conducting the business taking the value transfers now proposed into account.

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N.B. The English text is an unofficial translation. In the event of any discrepancies between the Swedish and the English versions, the original Swedish version shall prevail.

Defensibility of the proposed dividend

With reference to the above, and to other information that has come to the knowledge of the Board of Directors, it is the opinion of the Board that the financial position of the Company and the Group means that the proposed value transfers are defensible with reference to the demands that the nature, scope and risks, including effects of the macroeconomic situation, of the Company's operations place on the size of the Company's and the Group's equity, and on the Company's and the Group's consolidation needs, liquidity and position in general.

Stockholm, February 2018

Ratos AB (publ)

Board of Directors