

The board of director's statement regarding the proposal on dividend and authorization to repurchase shares

The board of directors hereby makes the following statement pursuant to chapter 18 section 4 and chapter 19 section 22 of the Swedish Companies Act due to the board's proposal on dividend and authorization to repurchase shares.

The nature and scope of the operations are described in the articles of association and the annual report of 2022. The operations conducted by MEKO and the group is not imposing any risks in excess of those that exist or may be deemed to exist in the industry, or the risks generally associated with operating a business.

The company's and the group's financial position as of 31 December 2022 is described in the annual report of 2022. The annual report also states the principles applied for valuation of assets, depositions and liabilities.

As of 31 December 2022, the company's non-restricted equity amounted to MSEK 6,132 and the group's equity to MSEK 5,926.

Derivatives instruments and other financial instruments have been valued at actual value pursuant to chapter 4 section 14 a of the Swedish Annual Accounts Act, which had an impact on the group's equity with approximately 0.4 per cent.

The proposed dividend means that SEK 3.30 per share shall be distributed to the company's shareholders, corresponding to a total amount of SEK 185,913,351¹. The proposed dividend is proposed to be paid at SEK 1.10 per share in May 2023 and SEK 2.20 per share in November 2023. The proposed dividend constitutes 3.0 per cent of the company's equity and 3.1 per cent of the group's equity, as of 31 December 2022.

The board has also proposed an authorization for the board to repurchase so many shares in the company that the company's holding does not exceed 10 per cent of the total number of shares in the company at any time. The purpose of the authorization is to enable continuous adaptation of the company's capital structure and thereby contribute to increased shareholder value and to use repurchased shares as payment in connection with any acquisitions.

Taking into account the proposed dividend and a full utilization of the proposed authorization, the board's assessment is that the size of the company's and the group's equity is sufficient in relation to the scope of the company's and the group's business and the risks connected therewith.

After the proposed dividend, the parent company's and the group's equity ratio will amount to 57.7 per cent and 36.8 per cent, respectively. The board consider this equity ratio good in relation to the industry.

The proposed dividend and the proposed authorization to repurchase shares will not negatively affect the company's and the group's ability to meet its short- and long-term obligations. The company and the group have good access to both short- and long-term credit facilities. These can be utilized with short notice and the board therefore assesses that the company and the group are well prepared to manage changes regarding liquidity as well as unforeseen events in the longer terms. The company's and the group's ability to make continued investments will not be affected.

¹ The dividend amount is calculated on the number of outstanding shares in the company as of 31 December 2022. The dividend amount may change up to dividend record date, due to changes in MEKO's holding of own shares and through the use of authorization to issue new shares (if any) which usually corresponds to a maximum of 10 percent of all shares in the company.

In view of the above, and what has in other respects come to the board's knowledge, the board is of the opinion that the proposals on dividend and authorization to repurchase shares is justified according to chapter 17 section 3, paragraphs 2 and 3 of the Companies Act.

Stockholm in April 2023
MEKO AB
Board of Directors