

## **The Board of Director's statement in accordance with chapter 18, section 4 of the Swedish Companies Act**

With reference to the Board's proposal for dividend, the Board hereby submits the following statement pursuant to chapter 18, section 4 of the Swedish Companies Act.

### **Proposed dividend (item 10 on the AGM agenda)**

As stated in the proposal for dividend, the Board proposes an ordinary dividend of SEK 0.40 per share and an extra dividend of SEK 0.30 per share, in total SEK 0.70 per share.

The record date for receiving the dividend shall be Monday, 6 May 2019. With the proposed record date, the dividend is expected to be paid out through Euroclear Sweden AB on Thursday, 9 May 2019. The last day of trading in the company's shares to be included in the right to dividend is Thursday, 2 May 2019.

### **The Board's statement regarding whether the proposed dividend is justified**

According to Rottneros' dividend policy, dividends shall be 30-50 percent of the previous year's profit after tax. Rottneros' financial goal imply that the company must have an equity ratio exceeding 50 percent and an available liquidity corresponding to at least ten percent of the group's annual turnover.

The Board is of the opinion that the proposed dividend to the shareholders does not constitute an obstacle for the company to meet its short or long-term obligations, while the company's financial position allows for continued investments and expansion of the business.

The proposed dividend of in total SEK 0.70 per share, equivalent to MSEK 106.8<sup>1</sup>, which is 48 percent of the result for 2018 after tax, represents 11.6 percent of the parent company's equity and 7.3 percent of the group's equity at the balance sheet date of 31 December 2018. The dividend reduces the parent company's equity ratio from 62 percent to 59 percent and the group's equity ratio from 61 percent to 59 percent. The equity ratio is considered to be sufficient.

Both the parent company and group companies are deemed to be able to maintain good liquidity even after dividend in accordance with the Board's proposal.

The Board is, in the light of the above, of the opinion that the proposed dividend is justified with regards to the requirements that the nature, scope and risks of the business place upon the size of the company's and group's equity and upon the company's and group's consolidation needs, liquidity and financial position in general.

The proposed dividend can be justified by reference to what is stated in chapter 17, section 3, paragraphs 2-3 of the Swedish Companies Act.

Vallvik, March 2019

The Board of Directors Rottneros AB

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<sup>1</sup> No dividend is paid on the company's holding of treasury shares. The amount indicated is thus calculated on the total number of shares in the less treasury shares.