

## **Statement of the Board of Directors of SWECO AB (publ) pursuant to Section 4 of Chapter 18 and Section 22 of Chapter 19 of the Companies Act**

The Board of Directors and the CEO of SWECO AB (publ) (the "**Company**") has proposed that the Annual General Meeting on 23 April 2020 resolves on distribution of dividends in an amount of SEK 3.10 per share, in total no more than SEK 375 million.

The Board of Directors has further proposed that the Annual General Meeting resolves to authorise the Board of Directors to, prior to the 2021 annual general meeting, decide on acquisition of Class B treasury shares in the Company to enable the Company's delivery of shares and cover thereto related costs for social security contributions under a proposed share savings scheme and a proposed share bonus scheme, as well as to give the Board of Directors greater freedom of action in working to optimise the Company's capital structure and to enable the Company to use treasury shares as consideration in potential future company or business acquisitions. The number of acquired Class B shares may, together with treasury shares otherwise acquired and held by the Company, at any given time not exceed ten (10) percent of all issued shares in the Company.

As per April 20, 2020, the Company's holding of treasury shares amounts to 3,246,397 Class B shares, corresponding to approximately 2.7 percent of all issued and outstanding shares and 1.5 percent of the votes in the Company.

In light of the proposals on distribution of dividends and authorisations on repurchasing of Company shares above put forth by the Board of Directors, the Board of Directors hereby provide the following statement pursuant to Section 4 of Chapter 18 and Section 22 of Chapter 19 of the Companies Act.

The Company's dividend distribution policy stipulates that at least half of the yearly result attributable to the shareholders of the parent company shall be distributed to the shareholders. However, the Company shall have a capital structure that furthers investments in the Company's core operations. The Company's financial targets entail that the Company over time shall have a net debt as a proportion of EBITDA less than 2.0 times EBITDA. The group's financial standing is strong as a result of good results and cash flows in preceding years.

The Board of Directors notes that there is full cover for the Company's restricted equity after the dividend distribution. The Board of Directors holds the opinion that the proposed dividend distribution to the shareholders and the repurchase of shares within the proposed authorisations do not prevent the Company to meet its obligations in the short or long term, while the Company's financial standing enables it to continue to invest and expand. The group's net debt in relation to EBITDA will, based on the balance sheet as at 31 December 2019, following the proposed dividend distribution be approximately 1.2 times EBITDA. The net debt in relation to EBITDA prior to the dividend distribution is approximately 1.0 times EBITDA. The solidity of the group will, based on the balance sheet as at December 31, 2019, following the proposed dividend distribution be approximately 35.9 percent. The solidity prior to the dividend distribution is approximately

37.1 percent. The Board of Directors has also considered other known factors of potential importance to the Company's and the group's financial standing.

The Board of Directors is of the opinion, in light of the foregoing, that the proposed dividend distribution to the shareholders and repurchase of shares within the scope of the proposed authorisations are reasonable considering the demands posed by the nature, scope and risks of the operations with respect to the size of the equity, as well as the Company's and the group's consolidation needs, liquidity and overall general standing.

Significant financial events after the date of the release of the annual report for 2019: press release dated April 6, 2020: "Effects of Covid-19 and announced measures", appendix 1 to this statement.

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Stockholm, April 2020  
SWECO AB (publ)  
The Board of Directors