

Statement of the Board of Directors of SWECO AB (publ) pursuant to Ch. 18 § 4 of the Swedish Companies Act

The Board of Directors and Chief Executive Officer of SWECO AB (publ) (“**the Company**”) had proposed a dividend of SEK 6.20 per share to the Annual General Meeting on 23 April 2020. Due to the general uncertainty created by Covid-19, the Board of Directors later revised its proposal to refer to a dividend of SEK 3.10 per share, which was also what the Annual General Meeting resolved to approve. In connection with its revised proposal, the Board of Directors announced its intention to convene an extraordinary general meeting in the second half of 2020 to decide on the payment of a further dividend if circumstances permitted.

Against the above background, the Board of Directors and CEO of the Company have now proposed that an extraordinary general meeting on 22 October 2020 resolve to approve an extraordinary dividend of SEK 3.10 per share, representing a total payout of SEK 367 million (excluding treasury shares held by the Company, which at 16 September 2020 comprised 2,684,498 Series B shares).

In reference to the Board of Directors’ proposed extraordinary dividend presented above, the Board of Directors hereby makes the following statement pursuant to Ch. 18 § 4 of the Swedish Companies Act:

The Company’s dividend policy is to distribute to the shareholders at least half of the profit for the year attributable to the shareholders of the parent company provided that the Company maintains a capital structure which promotes continued investment in its core business. The Company’s financial target is to maintain a ratio of net debt to EBITDA of less than 2.0 times EBITDA. As a result of strong earnings and cash flows in recent years, the Group is currently in a strong financial position.

According to the last approved balance sheet as at 31 December 2019, the Company’s non-restricted equity amounts to SEK 4,147 million. After the dividend approved by the Annual General Meeting the disposable earnings pursuant to Ch. 17 § 3 of the Swedish Companies Act amounts to SEK 3,772 million. The Board of Directors notes that the Company’s restricted equity would be fully covered after the proposed dividend payment. The Board of Director’s view is that the proposed dividend to the shareholders would not prevent the Company from fulfilling its obligations in the short or long term and that the Company’s financial position would enable continued investments and expansion also after the dividend payment. The Group net debt to EBITDA based on the balance sheet as at 31 December 2019 amounted to approximately 1.0 times EBITDA, as at 30 June 2020 to 0.5 times EBITDA and would after the proposed extraordinary dividend amount to approximately 0.7 times EBITDA. The Group equity/assets ratio based on the balance sheet as at 31 December 2019 amounted to 37.1 per cent, as at 30 June 2020 to 36.7 per cent and would after the proposed extraordinary dividend amount to approximately 35.5 per cent. The Board of Directors has also taken account of other known

circumstances that may be of significance to the financial position of the Company and the Group.

In view of the aforesaid, the Board of Directors considers that the proposed extraordinary dividend to the shareholders is justifiable in view of the equity requirements arising from the nature, scope and risks of the operations and the consolidation needs, liquidity and position of the Company and the Group.

Significant financial events after the publication of the Company's annual report for 2019 are described in a separate report in accordance with Ch. 18 § 6 of the Swedish Companies Act, which will be made available prior to the extraordinary general meeting along with an auditor's statement on the report.

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