



THE BOARD OF DIRECTORS' REASONED STATEMENT PURSUANT TO CHAPTER 18 SECTION 4 AND CHAPTER 19 SECTION 22 OF THE SWEDISH COMPANIES ACT

The Board of Directors hereby submits the following statement pursuant to Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act. The Board of Directors' reasoned statement that the proposals regarding dividend and authorisation for the Board of Directors to resolve on acquisitions of shares in Ahlseil is compliant with Chapter 17 Section 3 second and third paragraph of the Swedish Companies Act is as follows:

Nature, scope and risks of the business

The business's nature and scope as well as the risks that Ahlseil's business entail, are specified in the articles of association and in the latest published annual report. The business conducted by Ahlseil does not entail any risks other than those that arise or can be anticipated to arise within the industry concerned, or those risks that are generally associated with operating a business.

The financial position of the parent company and the group

The financial position of the parent company and the group on 31 December 2016 is described in the latest annual report. The annual report also specifies the accounting policies that have been applied in valuating assets and liabilities.

The proposed dividend of SEK 0.35 per share is equal to a total amount of MSEK 153¹ and is in line with Ahlseil's target to pay a dividend corresponding to 40-60 per cent of net profits subject to strategic headroom.

The proposal regarding the authorisation for the Board of Directors to resolve on the acquisition of shares in Ahlseil entails that the Board of Directors is authorised to resolve on acquisition of shares in Ahlseil so that, as a maximum, Ahlseil's holding following the acquisition does not exceed 10 per cent of all the shares in Ahlseil at any time.

The parent company and the group's equity/asset ratio per 31 December 2016 was 46 and 34 per cent respectively. The group's liquidated funds amounted to MSEK 1,209 at the same date. In addition, the unused committed lines of credit amounted to MSEK 1,534. The proposed dividend constitutes 2 per cent of the equity in the parent company and 2 per cent of the equity in the group as of 31 December 2016. Non-restricted equity in the parent company amounted to MSEK 7,052 as of 31 December 2016.

The Board of Directors is of the opinion that the size of the equity is in reasonable proportion to the scope of Ahlseil's business and the risks that are associated with carrying on the

¹ The proposed dividend's total amount is calculated based on the number of outstanding shares on 30 March 2017.

business, taking the proposed value transfer and authorisation for the Board of Directors to resolve on acquisition of shares in Ahlsell into account.

The proposed dividend and authorisation for the Board of Directors to resolve on acquisition of shares in Ahlsell does not jeopardize future planned investments. Ahlsell's economic situation is such that the company can continue its business and is expected to be able to fulfil its obligations short-term as well as long-term.

The justification of the proposals regarding dividend and authorisation for the Board of Directors to resolve on acquisition of shares in Ahlsell

With reference to the above and to other information that has been brought to the Board of Directors' attention, the Board of Directors considers that the proposed dividend and authorisation to resolve on acquisition of shares in Ahlsell is justified in view of the requirements that the nature, scope and risks of the business place on the parent company's and the group's equity, funding requirements, liquidity and position in general.

Stockholm, March 2017

Ahlsell AB (publ)

Board of Directors