

## **Statement by the Board of Directors pursuant to Chapter 18, section 4 of the Swedish Companies Act**

The Board has proposed that the Annual General Meeting 2017 resolves on an allocation of profits entailing a dividend to the shareholders of SEK 10.90 per share, whereof SEK 3.40 per share is ordinary dividend and SEK 7.50 is extraordinary dividend. Accordingly, the dividend amounts to a total of SEK 1,112,594,719. Further, it is proposed that the dividend shall be paid in two partial payments for a more favourable adaptation to the group's cash flow profile. The Board has proposed 28 April 2017 as record date for the first payment of SEK 9.20 and 6 October 2017 as record date for the second payment of SEK 1.70. If the Annual General Meeting resolves in accordance with the proposal, the first payment by Euroclear is expected to start on 4 May 2017 and the second payment on 11 October 2017.

By reason of the Board's proposed dividend, the Board hereby makes the following statement pursuant to Chapter 18, section 4 of the Swedish Companies Act.

Profits brought forward from the previous year amount to SEK 0, the share premium reserve amounts to SEK 1,214,837,918, the net profit for the financial year 2016 amounts to SEK 998,144,205 and other changes to unappropriated profits brought forward amount to SEK 84,242,563. Provided that the Annual General Meeting 2017 approves the Board's proposed allocation of profits, SEK 1,184,629,967 will be carried forward. The company's restricted shareholders' equity is fully covered after the proposed dividend.

The Board considers that after the proposed dividend, the company's and the group's shareholders' equity will be sufficient in relation to the nature, scope and risks of the business. In this context, the Board of Directors has considered factors such as the company's and group's historical development, budgeted development and the cyclical situation.

The Board has considered the company's and the group's position and the company's and the group's prospects of fulfilling their commitments in the short and long term. The proposed dividend amounts to 48.4 % of the company's shareholders' equity and 29.1 % of the consolidated shareholders' equity. The shareholders' equity has neither increased nor decreased due to assets and liabilities having been valued at fair value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act.

After the distribution of the dividend, the company's and the group's equity/asset ratios are approximately 19.6 % and 38.1 %, respectively. Accordingly, the company's and the group's equity/asset ratios are satisfactory by comparison with the industrial sector. The Board considers that the company and the group will be able to assume future business risks and to withstand potential losses. The dividend will not have a detrimental impact on the company's or the group's capacity to make further investments pursuant to the plans of the Board.

The proposed dividend will not have a detrimental impact on the company's and the group's capacity to fulfill their payment commitments. The company and the group have ready access to short- as well as long-term credits that can be drawn down at short notice. Accordingly, the Board considers that the company and the group are well prepared to respond to changes in regard to liquidity as well as unexpected events.

In addition to the above, the Board has considered other known circumstances that may be significant to the company's and the group's financial position. In this context, no circumstance has arisen implying that the proposed dividend would not appear justifiable.

---

Malmö in February 2017

**The Board of Thule Group AB (publ)**