

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors has proposed that the 2021 Annual General Meeting (AGM) resolves on distribution of profits in the form of a dividend of SEK 15.50 per share to the shareholders, thereby, amounting to a total dividend distribution of SEK 1,620,717,758. SEK 8.00 per share comprises the ordinary dividend for 2020 and SEK 7.50 per share an extraordinary dividend based on the withdrawal of the dividend for 2019. It is also proposed that dividends will be paid in two installments for a better adaptation to the Group's cash flow profile. The first installment will comprise the extraordinary dividend and half of the ordinary dividend. The proposed record date for the first dividend payment of SEK 11.50 per share is April 26, 2021 and the proposed record date for the second payment of SEK 4.00 per share is October 4, 2021. If the Annual General Meeting resolves in accordance with the proposal, the first distribution is expected to be executed by Euroclear from April 29, 2021, and the second distribution from October 7, 2021.

With reference to the Board's proposed distribution of profits, the Board hereby submits the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

The share premium reserve amounts to SEK 1,641,855,505, profit brought forward amounts to SEK 836,210,327 and earnings for the 2020 fiscal year amounted to SEK 712,954,642. Provided that the 2021 AGM resolves on distribution of profits in accordance with the Board of Directors' proposal, SEK 1,570,302,716 will be carried forward. The company's restricted equity will be fully covered following the proposed dividend distribution.

Following the proposed dividend distribution, the Board's assessment is that the company's and the Group's equity will be adequate given the scope and nature of the operations and the risks connected therewith. The Board has hereby taken into consideration, inter alia, the company's and the Group's historical development, budgeted development and economic conditions.

The Board has conducted an assessment of the company's and the Group's positions as well as their ability to meet their undertakings on both a short- and long-term basis. The proposed dividend in total constitutes 50.8 percent of the company's equity and 30.9 percent of the Group's equity. The equity of the Parent Company has neither increased or decreased as a result of valuation of assets or liabilities pursuant to Chapter 4, Section 14 of the Annual Accounts Act.

Following distribution of the dividend, the company's and the Group's equity ratio will amount to 34.8 percent and 46.9 percent, respectively. Accordingly, the company and the Group have healthy equity ratios in relation to the industry. The Board considers that the company and the Group are in a position to meet future business risks and withstand possible losses. The dividend distribution will have no negative effect on the company's or the Group's ability to make further investments, as planned by the Board of Directors.

The dividend distribution will have no negative effect on the company's or the Group's ability to meet existing payment undertakings. The company and the Group have good access to short- and long-term credit facilities, which can be utilized at short notice. Therefore, the assessment of the Board is that the company and the Group are well prepared to manage changes in liquidity as well as unforeseen events.

In addition to the above, the Board has taken into account other known circumstances that could be material in relation to the financial position of the company and the Group. No circumstances have come to light that would suggest that the proposed dividend is not justifiable.

Malmö, February, 2021

The Board of Directors of Thule Group AB (publ)