

Statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors has proposed that the Annual General Meeting resolve on the appropriation of profits entailing that shareholders be paid SEK 4.75 cash per share. The dividend will amount to SEK 181,025,031.75¹ for which the unrestricted shareholders' equity will be used. It is proposed that the dividend will be paid in two instalments for a better adaptation to the Group's cash flow profile. The Board has proposed 24 April 2023 as record date for the first payment of SEK 2.50 per share and 24 October 2023 as record date for the second payment of SEK 2.25 per share. If the Annual General Meeting resolves in accordance with the proposal, the first payment by Euroclear Sweden AB is expected to start on 27 April 2023 and the second payment on 27 October 2023.

Due to the Board's above proposal the Board will therefore issue the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

Unappropriated earnings at the disposal of the Annual General Meeting of SEK 584,506,912.48. Should the Annual General Meeting resolve in accordance with the proposal for the appropriation of profits, SEK 403,481,880.73 of the unrestricted shareholders' equity will remain as available equity pursuant to Chapter 17, Section 3 of the Swedish Companies Act. Following the adoption of the proposal, full coverage will be available for the company's and the group's restricted shareholders' equity.

According to the Board's assessment, the company's and group's shareholders' equity, following adoption of the proposal, will be sufficiently large in relation to the type, scope and risks of the operation. The Board has also taken into account the company's and the group's historic trend, budgeted development and the economic climate.

The Board has also conducted an assessment of the company's and the group's financial position and the company's and the group's potential to fulfil their obligations in the short and long-term. Even after the adoption of the proposal, the company's and the group's financial solidity has been deemed good, in relation to the industry in which the group is active. The Board believes that the company and the group have the prerequisites to take future business risks and also able to cope with possible losses. Adoption of the proposal will not have any negative impact on the company's and the group's ability to conduct further business investments according to the Board's plans.

Furthermore, adoption of the proposal will neither in a short or a long-term perspective impact the company's and the group's ability to fulfil their payment obligations. The company and the group have good access to both short and long-term credit facilities. The credit facilities can be utilized at short notice, which is why the Board believes that the company and the group have good preparedness to handle changes in liquidity and unexpected events.

In addition to the above statements, the Board has considered other known conditions that may be significant to the company's and the group's financial position. No circumstances have thus arisen to make the proposal not appear justifiable.

Värnamo, February 2023

Bufab AB (publ)
The Board of Directors

¹ Based on the total number of outstanding shares at the time of this proposal. No dividend is paid on treasury shares. The company's holding of treasury shares at the time of this proposal amounts to 425,613.