

## Statement by the Board of Directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act

The Board of Directors has proposed that Bufab's Annual General Meeting ("**AGM**") for 2020 shall authorise the Board to resolve, during the time up to the next AGM, on the acquisition of the company's own shares. The proposal entails that the Board may decide on the acquisition of maximum 350,000 shares in the company. Because of this proposal, the Board hereby issues the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The company's unappropriated earnings as per December 31, 2019, amount to SEK 341,894,367, of which the profit of the year amounts to SEK 151 358 804. No assets or liabilities have been valued at actual value pursuant to Chapter 4, Section 14a of the Swedish Annual Accounts Act. At the disposal of the AGM is thereby a total amount of SEK 341,894,367 in unappropriated earnings, and provided that the AGM resolves to allocate the earnings in accordance with the Board's proposal under item 9b on the agenda, SEK 341,894,367 will be carried forward.

According to the Board's assessment, the company's and group's shareholders' equity, following any repurchase of own shares pursuant to the proposed repurchase authorisation, 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 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. Considering also the proposed repurchased authorisation, 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 execution of any repurchase of own shares will not 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 utilised 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. The Board believes that the company and the group have the prerequisites to take future business risks and also be able to cope with possible losses. Execution of any repurchase of own shares 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.

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 arisen to make the proposed repurchase authorisation not appear justifiable.

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Värnamo in March 2020

Bufab AB (publ)  
*The Board of Directors*