

PROPOSAL BY THE BOARD OF DIRECTORS ON DIVIDEND AND THE STATEMENT OF THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSAL

Proposal on dividend

Prior to the Annual General Meeting on 13 May 2020, the Board of Directors of AAK AB (publ) decided as a precautionary measure to withdraw the dividend proposal for the financial year 2019 due to the spread of the coronavirus and, if the circumstances so permit, to convene an Extraordinary General Meeting in the autumn 2020 to resolve on a dividend. The Board of Directors now proposes the Extraordinary General Meeting on 26 November 2020 to resolve on a dividend of SEK 2.10 per share. As record date for the dividend, the Board of Directors proposes 30 November 2020. If the General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on 3 December 2020.

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 General Meeting resolves on a dividend of SEK 2.10 per share. Thus, the dividend amounts to MSEK 534¹ in total. The Board of Directors hereby makes the following statement regarding the proposal on dividend in accordance with Chap. 18, Section 4 of the Swedish Companies Act (2005:551), which constitutes the assessment of Board of Directors of whether the proposed dividend is justifiable with regard to what is stated in Chap. 17, Section 3, second and third paragraphs of the Swedish Companies Act.

The Company's and the Group's financial position as of 31 December 2019 is set out in the annual report for the financial year 2019. As of 31 December 2019, the non-restricted equity of the Company amounted to SEK 6,439,198,282. The Annual General Meeting held on 13 May 2020 resolved that the amount at the disposal of the general meeting of SEK 6,439,198,282 should be carried forward. Thus, the amount available under Chap. 17, Section 3, first paragraph of the Swedish Companies Act amounts to SEK 6,439,198,282. Provided that the General Meeting resolves in accordance with the proposal of the Board of Directors for dividend, SEK 5,904,977,321 of the Company's non-restricted equity will remain. It is the view of the Board that the Company and the Group will retain sufficient equity after distribution of the proposed dividend in relation to the nature, scope and risks associated with its business operations. In making this assessment, the Board has taken account of the historical development of the Company and the Group, budgeted performance and the economic situation. The Company's restricted equity will be fully covered after distribution of the dividend. The Parent Company has no financial instruments valued under Chap. 4, Section 14 a of the Swedish Annual Accounts Act (1995:1554).

It is the Board's opinion that the Company and the Group are in a position and have the capacity, in both the short and long terms, to meet all their obligations. The proposed dividend represents a total of 8 percent of the Company's equity and 5 percent of the Group's equity.

After payment of the dividend, the equity/assets ratio of the Company and the Group will be 70 percent and 46 percent, respectively. These ratios are good in relation to other businesses in our industry. The Board of Directors considers that the Company and the Group are in a good position to meet future business risks as well as withstand possible losses. Distribution of the

¹ Calculated based on the number of outstanding shares as per 31 October 2020.

dividend will not negatively affect the ability of the Company and the Group to make further investments as planned by the Board of Directors.

The proposed dividend distribution will not affect the Company's and the Group's ability to meet their current liabilities. The Company and the Group have sufficient access to both short and long-term credit that can be obtained at short notice.

The Board of Directors therefore considers that the Company and the Group are well prepared for changes to liquidity, as well as unforeseen events. In addition, the Board of Directors has considered other known circumstances that may materially affect the financial position of the Company and the Group. No circumstance has arisen that makes the proposed dividend distribution appear unjustifiable with regard to the requirements set out in Chap. 17 Section 3, second and third paragraphs of the Swedish Companies Act.

The events of significance which have occurred after the annual report was submitted with information on value transfers that have been resolved during the same period and on changes in the Company's restricted shareholders' equity after the balance sheet date are stated in the Board of Directors' statement pursuant to Chap. 18, Section 6 of the Swedish Companies Act which is attached to the proposal of the Board of Directors.

Malmö in October 2020
The Board of Directors
AAK AB (publ)