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STATEMENT BY THE BOARD PURSUANT TO CHAPTER 19, SECTION 22, SWEDISH COMPANIES ACT

The board of directors of the Company will propose that the general meeting authorise the board to resolve on repurchase of shares in the Company on one or several occasions during the period up to the annual general meeting 2019. The board's proposal on repurchase of own shares allows for own shares to be acquired to the extent that the Company's holdings of own shares in total amounts to no more than one tenth of all shares in the Company. Acquisition of own shares under the board's proposal must be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price. Following the board's proposal, the board makes the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

Profit carried forward of SEK 2,694 million (including SEK 1,751 million in the share premium reserve (*överkursfond*)), together with profit for the year of SEK 146 million, is available for allocation at the meeting. Non-restricted equity of SEK 2,840 million is thus available for allocation at the meeting. If the proposed repurchase mandate is fully utilised it totals SEK 688 million¹, representing 22.6 per cent of the Company's equity and 22.2 per cent of the Group's equity. If the authorisation for the board is fully utilised, the Company's equity/assets ratio will decrease from 85.3 per cent to 66.0 per cent and the Group's equity/assets ratio will decrease from 55.6 per cent to 43.2 per cent.

The financial position of the Company and the Group as of 31 December 2017 will be described in the annual report of 2017. The annual report will furthermore set out the principles applied when valuing assets, allocations and liabilities. The equity of the Company and the Group is considered to be sufficient in relation to the nature, scope and risks of the business, even if the authorisation for the board is fully utilised. The Board has taken into account factors including the historical performance of the Company and the Group, their budgeted performance and the economic situation. As of the balance sheet date the Company did not own any financial instruments that have been valued at their actual value in accordance with Chapter 4, section 14 a of the Annual Accounts Act. Material events subsequent the balance sheet date do not affect the Company's ability to fully utilise the repurchase mandate.

¹ Based on closing share price as per 31 March 2018.

The Board has made an assessment of the financial position of the Company and the Group, and also of the ability of the Company and the Group to meet their commitments in the near and long term. Even if the authorisation for the board is fully utilised it is considered that the equity/assets ratio of the Company and the Group will remain good in relation to the sector in which the Company and the Group operate.

The ability of the Company and the Group to meet their payment obligations will not be affected if the authorisation for the board is fully utilised. The Company and the Group have ready access to short and long-term credit. This is available at short notice, for which reason the Board considers that the Company and the Group are well prepared to cope with changes in liquidity and other unforeseen events. The liquidity of the Company and the Group is also good in relation to the sector in which they operate.

The Board considers that the Company and the Group have the ability to take business risks in the future and also to withstand potential losses. The ability of the Company and the Group to make further commercially justified investments in accordance with the Board's plans will not be adversely affected if the authorisation for the board is fully utilised.

In view of the above, and also based on other factors of which the Board is aware, and following a assessment of the financial position of the Company and the Group, the Board considers that the proposed repurchase mandate is defensible in light of the provisions of Chapter 17, section 3, second and third paragraphs of the Companies Act. The proposed repurchase mandate is considered to be defensible taking into account the demands made of the amount of equity by the nature, scope and risks associated with the business and the consolidation requirements, liquidity and general financial position of the Company and the Group.

The board will also propose that the general meeting resolve on dividend of SEK 2.30 per share. The board's assessment in this statement applies even if the Company pays dividend as proposed. The board has issued a separate statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act by reason of the dividend proposal.

The proposed dividend and a full utilisation of the repurchase mandate (of SEK 688 million²) total SEK 812 million, which comprises 26.7 per cent of the Company's equity and 26.2 per cent of consolidated equity. If the general meeting resolves on the proposed dividend and the authorisation for the board is fully utilised, the Company's equity to assets ratio is reduced from 85.3 per cent to 62.5 per cent and the group's equity to assets ratio is reduced from 55.6 per cent to 41.0 per cent.

Stockholm in April 2018
Alimak Group AB (publ)
The Board of Directors

² Based on closing share price as per 31 March 2018.