

Statement of the Board of Directors following the Companies Act chapter 19 section 22

The nature, scope and risks of the business

The nature, scope and risks of the business are presented in the articles of association and the submitted Annual Report for 2019. The risks involved in running the company and the Group are not greater than those that occur or can be expected to occur in the industry, or are risks generally associated with business activity. Regarding important events please refer to the Annual Report. In addition to the information given therein there have been no events that affect the company's ability to buy back its own shares.

The financial position of the company and the Group

The company and the Group financial position per 2019-12-31 is presented in the latest Annual Report. The Annual Report also presents the principles used for valuing assets, provisions and liabilities.

The Board proposes that the Annual General Meeting authorize the Board to repurchase the company's own shares so that at no time do company holdings exceed 10 percent of all shares in the company.

The company equity/assets ratio is 73.9 percent (previous year 70.1 percent). The Group equity/assets ratio is 31.7 percent (previous year 30.4 percent).

It is the Board's assessment that the size of Group equity as reported in the latest Annual Report is in reasonable proportion to the scope of company and Group business and the risks associated with operations considering the buy back of own shares according to the proposed authorization.

Justification of the proposals

Considering the above and all other information the Board of Directors has knowledge of, it is the Board's view that an all-round assessment of the

financial position of the company and Group justifies the proposal for authorization to repurchase own shares in relation to the demands that the nature, scope and risks of the business put on the size of company and Group equity as well as company and Group needs for consolidation, liquidity and general position.

Förslöv 2020-04-07

Peab AB

The Board of Directors