

The Board of Directors' statement under Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors has proposed that the Annual General Meeting to be held on 28 April 2023 resolves on a dividend of SEK 0.80 per share. The aggregate dividend amounts to a maximum of SEK 18,067,102.

The Board of Directors considers, in view of what is stated below, that the proposal is justifiable with respect to the requirements that the business' nature, scope and risk place on the amount of equity, as well as the need for the company to strengthen the balance sheet, liquidity and position as a whole. The Board of Directors has also taken into account the requirements of the group's business' nature, scope and risk place on the group's equity requirement and need for the group to strengthen its balance sheet, liquidity and position as a whole.

Equity

According to the Board of Directors' assessment, the company's equity will be of a sufficient amount following payment of the proposed dividend. In this respect, the Board of Directors took into account the company's and the group's business, scope and the risks that the business is associated with and the current economic situation, historical development and forecasts for the company, the group as well as for the market.

Need to strengthen the balance sheet, liquidity and position as a whole

The Board of Directors has made a comprehensive assessment of the company's and the group's financial position and its ability to, in the long term, fulfil its undertakings. As stated in the company's annual report for the 2022 financial year, the company's non-restricted equity as per 31 December 2022 was SEK 138,579,143.

The proposed dividend does not affect the company's or the group's ability to, in due time, fulfil its present and anticipated financial obligations or the company's or the group's ability to implement planned investments.

The Board of Directors has also considered other known conditions that may affect the company's and the group's financial position and that have not been considered within the scope of that outlined above. No other circumstance was identified that would make the proposed dividend unjustifiable.

Borås, March 2023
Embellence Group AB (publ)
Board of Directors