

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 May 3, 2022 resolves on a dividend of SEK 0.80 per share, which will result in an aggregate dividend of not more than 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, scale 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, 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

The Board of Directors considers that the equity of the company will be of sufficient amount after the proposed dividend, taking into account the business, scope and the risks that the business is associated with and the current economic situation, historical development and forecasts for the company as well as for the market.

Need of strengthening of the balance sheet, liquidity and position as a whole

The Board of Directors has made a comprehensive assessment of the company's financial position and its ability to, in the long term, fulfil its undertakings. As stated in the company's annual report for the financial year of 2021, the non-restricted equity of the company as per December 31, 2021 was SEK 113,806,559.

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

The Board of Directors has also considered other known matters that may affect the company's financial position and that have not been considered within the scope of the above mentioned. No other matter that would make the proposed dividend unjustifiable has been identified during such analysis.

Borås in April 2022

Embellence Group AB (publ)

The Board of Directors