

*This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

Annual General Meeting, Probi AB 4 May 2017

## **Item 17**

### **Statement of the Board pursuant to Chapter 19, Section 22 of the Swedish Companies Act**

The Board has proposed that the Annual General Meeting ("AGM") for 2017 should authorize the Board to, on one or several occasions during the time up to the AGM in 2018, decide on the acquisition of the Company's own shares. The proposal entails that the Board may decide on the acquisition so that the maximum number of shares held by the Company at each point in time does not exceed ten (10) percent of the total number of shares outstanding in the company. Because of this proposal, the Board hereby issues the following statement pursuant to Chapter 19, section 22 of the Swedish Companies Act.

The Company's unappropriated earnings as per December 31, 2016 amount to SEK 97,444,122 and the share premium reserve amounts to SEK 579,064,772. The net income for the year amounts to SEK 116,456,927 of which SEK 6,007,384 is the result of financial instruments being valued pursuant to Chapter 4, section 14a of the Swedish Annual Accounts Act.

The Company's equity would not have been impacted as per December 31, 2016, if financial instruments, having been valued at actual value pursuant to Chapter 4, section 14a of the Swedish Annual Accounts Act, had instead been valued at the lower of cost or market as there is no difference as of this date.

At the disposal of the AGM is thereby a total amount of SEK 792,965,821 in unappropriated earnings before the decision on dividend for 2016.

Provided that the 2017 Annual General Meeting resolves to allocate the earnings in accordance with the Board's proposal under item 10 on the agenda, SEK 781,571,696 will be carried forward. As described in the statement of the Board pursuant to Chapter 18, Section 4 of the Swedish Companies Act, after distribution of the proposed dividend, there will be full coverage for the Company's restricted equity. Further, the Board has made the assessment that the dividend is justifiable considering the requirements set forth in Chapter 17, Section 3 of the Swedish Companies Act.

With regards to the proposed authorization for repurchase, the Board has considered the Company's and the Group's consolidation requirements and liquidity through a comprehensive assessment of the financial position of the Company and the Group, as well as the possibilities of the Company and the Group to discharge at sight its obligations. The proposed authorization for repurchase does not jeopardize the Company's ability to make the investments that have been deemed necessary. The Company's financial position does not give rise to any other assessment than that the Company can continue its operations and that the Company is expected to comply with its obligations in a short as well as long term perspective. In addition to the assessment of the Company's consolidation requirements and liquidity, the Board has also taken

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into consideration all other known circumstances that may impact the Company's financial position.

With reference to the above, the Board makes the assessment that the proposal to authorize the Board to decide on the acquisition of the Company's own shares is justifiable considering the requirements that the nature, scope and risks of the operations pose on the size of the Company's and the Group's equity as well as the Company's and the Group's consolidation requirements, liquidity and position in general.

With regard to the financial result of the Company and the Group in general, we refer to the profit and loss statements, balance sheet, cash flow analysis and closing recommendations and notes.

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Lund in March 2017

Probi AB (publ)  
*The Board of Directors*