

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

## **Statement by the Board of Directors of Sandvik AB in accordance with Chapter 19, Section 22 of the Swedish Companies Act**

The Board of Directors hereby issues the following statement regarding the proposed authorization for the Board to resolve on acquisitions of the Company's own shares, pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The nature and extent of the Company's operations are stated in the Articles of Association and issued annual reports. Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the 2019 Annual Report.

The Company's unappropriated earnings as per 31 December 2019 amounted to SEK 31,448,925,932. Provided that the 2020 Annual General Meeting resolves to allocate the earnings in accordance with the Board's proposal, SEK 27,685,768,163 will be carried forward. The authorization to acquire the Company's own shares does not infringe on investments deemed to be required. In addition, the Company's liquidity reserve is in the form of an unutilized revolving credit facility amounting to 9,000 million SEK, which means that the Company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The Company's financial position supports the assessment that the Company will be able to continue its business and meet its obligations in both the short and long term, despite the current instability in the market caused by the ongoing spreading of the coronavirus (Covid-19).

In view of the above and based on what the Board is otherwise aware, the proposed authorization to resolve on acquisitions of the Company's own shares is, in the Board's opinion, justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the Company and the Group, and also taking into consideration the Company's and Group's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 2020

Sandvik Aktiebolag (publ)  
The Board of Directors