

Statement of the Board in compliance with the Swedish Companies Act (2005:551) 18:4 (dividend), 19:22 (repurchase of own shares) and 20:8 (reduction of share capital)

The Board has proposed that the Annual General Meeting 2018 resolves on a dividend distribution of SEK 7.00 (6.80) per share. The dividend will be paid in May 2018. The Board has also proposed that the Annual General Meeting resolves that an amount of SEK 8.00 per share should be paid to the shareholders in connection with a mandatory share redemption including a share split 2:1, reduction of the share capital and a bonus issue. The total amount of dividend distribution and the share redemption will depend on the total number of Atlas Copco AB shares outstanding on the date of dividend distribution and share redemption. In addition, the board also proposes to dividend out all shares in the fully owned subsidiary Epiroc AB.

The value of the dividend distribution of the shares in Epiroc AB corresponds to the book value at the time of the dividend of the shares to the Company's shareholders according to the current accounting principles. The book value of the shares in Epiroc AB amounts to, at the time of this statement, a total of MSEK 43 979. The final value can eventually be adjusted in order to come to the proposed debt and cash structure of Epiroc AB. This capital injection is estimated to be maximum MSEK 5 000.

Total non-restricted equity in the parent company per December 31, 2017 amounts to MSEK 75 177. At the time of this statement and based on the number of shares outstanding as of December 31, 2017, the dividend will correspond to MSEK 8 496, the share redemption will correspond to MSEK 9 710 and the dividend distribution of the shares in Epiroc AB will correspond to MSEK 43 979. This corresponds to a total value proposed as dividend to the shareholders of MSEK 62 185 at the time of this statement and maximum value of MSEK 67 185 at the time of the dividend out of the shares in Epiroc AB.

The Board has also proposed that the Annual General Meeting resolves to authorize the Board to resolve on a maximum repurchase of the number of series A shares required in connection with the proposed option/SAR plan for 2018 and repurchase of the number of shares required in connection with the share-saving/share-matching part of this plan as well as the number of shares corresponding to the synthetic shares for the Board members.

After the cash dividend distribution, the redemption and the dividend distribution of the shares in Epiroc AB, the remaining unrestricted reserves of maximum MSEK 12 992 or minimum MSEK 7 992 are proposed to be balanced into a new account. The redemption will reduce the restricted capital with MSEK 393 which will be fully covered by a bonus issue without the issue of shares, whereby the same amount is transferred from unrestricted reserves to restricted reserves.

In the Group balance sheet per December 31, 2017, the total equity related to the shareholders of the parent company, i.e. with consideration to minority holdings, amounts to MSEK 60 639 and accumulated earnings, including the result of the year 2017, amounts to MSEK 47 500.

The Board notes that there will be full coverage for the restricted reserves of the Company after the dividend distribution, the redemption, the repurchase of own shares and the dividend distribution of the shares of Epiroc AB.

The Board makes the assessment that the Company's and the Group's own capital after the dividend distribution, the redemption, the repurchase of own shares and the dividend distribution of the shares of Epiroc AB will be enough in order to meet the requirements which the nature, size and risks of the remaining Company's business as well as the remaining Group's business will present. The Board further considers the actions reasonable in light of the Company's and the Group's consolidation requirements, liquidity and position in general.

Neither the dividend distribution, the redemption, nor the repurchase of own shares and the dividend distribution of the shares in Epiroc AB are assumed to present any risk for the Company's or the Group's ability to fulfil its short or long term payment obligations, and neither of these measures are assumed to affect the ability of the Company to make required investments.

Reflecting this, the Board considers the proposed dividend distribution, the proposed redemption and the proposed repurchase of shares and the dividend distribution of the shares in Epiroc AB to be compatible with the rules of reason expressed in the Swedish Companies Act (2005:551) 17:3 paragraph 2-3.