

**THE REASONED STATEMENT OF THE BOARD OF DIRECTORS PURSUANT TO CHAPTER 18,
SECTION 4 AND CHAPTER 19, SECTION 22 OF THE SWEDISH COMPANIES ACT FOR
THE ANNUAL GENERAL MEETING 2026 IN ENGCON AB**

With reference to the proposal by the board of directors of engcon AB regarding a dividend for the financial year 2025 and the proposal for resolution on authorisation for the board of directors to resolve on acquisition of own B shares, the board of directors hereby submits the following reasoned statement pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

Proposal to dividend

As set out in the proposal regarding disposition of profits, the board of directors proposes a dividend as follows.

The board of directors proposes a dividend of a total amount of SEK 1.0 per share to be paid on two occasions. As record date for the first payment of SEK 0.5 per share, the board of directors proposes 7 May 2026, and for the second payment of SEK 0.5 per share, 5 October 2026 is proposed. If the annual general meeting resolves in accordance with the proposal, the first part of the dividend is estimated to be distributed by Euroclear Sweden AB on 12 May 2026 and the second part on 8 October 2026.

In total, the proposed dividend amounts to SEK 152,482,827.

Proposal for authorisation for the board of directors to resolve on acquisitions of own B shares

As set out in the proposed resolution under item 16(B) of the agenda, the board of directors proposes that the annual general meeting 2026 shall resolve to authorise the board of directors to, during the period until the next annual general meeting, on one or more occasions, resolve to acquire a maximum of 179,000 own B shares. Recalculation of the number of B shares that may be acquired can be made in certain cases in accordance with what is stated in the proposed resolution.

The purpose of the authorisation is to ensure the delivery of B shares to participants in LTIP 2026.

Assuming that the proposed authorisation would be fully exercised and assuming that the acquisitions would be made at an average price per B share of SEK 100, B shares to a value of SEK 17.9 million would be acquired with the exercise of the authorisation.

Nature, scope and risks of the business

The nature and scope of the business are described in the articles of association and in the annual reports submitted. The business conducted by the company does not entail any risks other than those that arise, or can be anticipated to arise, within the industry concerned, or those risks that are generally associated with operating a business. In addition to this, no events have occurred that negatively affect the company's ability to distribute funds to the shareholders. The company's dependency on economic conditions does not deviate from what is otherwise prevalent in the industry concerned.

The financial position of the company and the group

The financial position of the company as of 31 December 2025 is described in the latest submitted annual report. The annual report also specifies which accounting principles that have been applied in the valuation of assets, provisions and liabilities.

As of 31 December 2025, the company's unrestricted equity amounted to SEK 311,837,751. The proposed dividend of SEK 1.0 per share corresponds to a total dividend amount of SEK 152,482,827. The proposed dividend constitutes approximately 49 percent of the company's unrestricted equity. After the proposed dividend, there will be full coverage of the restricted equity of the company and the group. As of 31 December 2025, the company's equity/assets ratio amounted to 58.5 percent in the group and 60.9 percent in the parent company before the proposed dividend and 45.9 percent in the group and 44.7 percent in the parent company after the dividend has been taken into account.

As of 31 December 2025, the company held certain financial instruments measured at fair value. However, when valuing the financial instruments according to the lowest value principle, the company's equity would not be affected.

The company's dividend policy is that engcon shall distribute approximately 50 percent of the net profit. The proposed dividend corresponds to approximately 68 percent of the group's net profit.

The proposed authorisation for the board of directors to acquire own B shares would, if utilised in full, mean that SEK 159,354,924 will remain of the disposable amount pursuant to Chapter 17, Section 3 first paragraph of the Swedish Companies Act (based on 179,000 B shares being acquired at a price per share of SEK 100). The authorisation to the board of directors to acquire own B shares will only be utilised to the extent there is full coverage for the company's restricted equity after the acquisition and only if, by the time of utilisation of the authorisation, it is assessed as justifiable in accordance with Chapter 17, Section 3 second and third paragraphs of the Swedish Companies Act.

The proposed dividend and the proposed authorisation to acquire own B shares do not jeopardise the fulfilment of the investments deemed necessary and do not affect the company's ability to meet its existing and anticipated payment obligations in a timely manner. The company's liquidity forecasts include preparations to manage variations in the current payment obligations. The company's and the group's financial position does not give rise to any assessment other than that the company can continue its operations and that the company can be expected to fulfil its obligations both in the short and long term.

The board of directors considers that the size of the equity as described in the latest submitted annual report is in reasonable proportion to the scope of the company's business and the risks associated with carrying on the business, taking the proposed dividend as well as the proposed authorisation to acquire own B shares.

The justification of the proposed dividend and the acquisition authorisation

With reference to the above and to other information that has been brought to the board of directors' attention, the board of directors considers that the proposed dividend and the proposed authorisation for the board of directors to resolve on acquisitions of own B shares are justified in view of the requirements that the nature, scope and risks of the business place on the

size of the equity of the company and the group, as well as the company's and the group's consolidation requirements, liquidity and position in general.

Strömsund in March 2026

engcon AB

The board of directors