

## Report by the Board of Directors of Nobia AB (publ), reg. no. 556528-2752 on the proposal regarding appropriation of the company's profits, pursuant to Chapter 18 Section 4 of the Swedish Companies Act

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With regards to the Board of Directors' proposal on distribution of profits, the Board hereby submits the following report pursuant to Chapter 18 Section 4 of the Swedish Companies Act. At distribution of profits, consideration shall be taken to the requirements on the amount of the parent company's and the Group's equity in light of the nature, scope and risks associated with the business; and the parent company's and the Group's consolidation requirements, liquidity and financial position in general.

### **The nature, scope and risks of the business**

The nature and the scope of the business is stated in the articles of association and annual reports. As regards risks and significant events, please refer to what is stated in the annual report. The macroeconomic uncertainty continues, driven by the pandemic. Underlying demand for kitchens continues to be strong, however the lockdowns impacted order intake and sales, especially in the United Kingdom. In addition to macroeconomic uncertainty, the price competition has continued to increase as in previous years. In the Nordics and Central Europe, the demand has been exceptionally strong, indicating that the demand for Nobia's products is increasing.

During 2021, the Covid-19 pandemic continued to impact the Group negatively, but compared to 2020 a significant improvement has taken place. The cash flow during 2021 has been good, driven by focus from all business entities having good cost control, to improve working capital and cautious investment decisions.

### **The parent company's and the Group's financial position**

The Board of Directors proposes a dividend of SEK 2.50 (2.00) per share, corresponding to approximately 31 per cent of the parent company's non-restricted equity, which amounts to SEK 1,362 million before the dividend. After the dividend, it is proposed that SEK 941 million is carried forward.

Taking the proposed dividend of approximately SEK 421 (338) million into consideration, there is room for the Group to continue to take the appropriate measures and take advantage of opportunities that arise under the existing market conditions.

The Group's consolidated retained earnings including this year's profit, attributable to the parent company's ownership, amount to SEK 3,325 million before dividends and SEK 2,903 million after dividends.

The Board of Directors therefore holds that there is full coverage for the parent company's restricted equity after the proposed dividend.

The parent company's and the Group's financial status as well as applied valuation principles, as of December 31, 2021, are stated in the latest annual report.

### **The justification of the dividend proposal**

The proposed dividend constitutes 14 per cent of the parent company's equity and 9 per cent of the Group's equity. In the drawing up of the proposal, consideration has been given to investment plans, the need for consolidation, liquidity and the financial position in general.

The capital structure or debt of the Group is defined as Net Debt/EBITDA. The goal is for the ratio to be <2.5 and is calculated excluding IFRS 16 Leases and items affecting comparability.

The Group's debt/equity ratio as of as of December 31, 2021, amounted to 0.15 and will amount to 0.48 after dividends. Hence, The Board of Directors' assessment is that the debt/equity ratio is at a satisfactory level.



The parent company's debt/equity ratio amounts to 65 percent before dividends and 75 percent after dividends. The Group's debt does not deviate from the industry as a whole. The proposed dividend does not jeopardize the fulfilment of necessary investments.

The Board of Directors' assessment is that the size of the equity, as reported in the latest annual report, is reasonable in proportion to the scope of the company's business and the risks associated with the business, taking the proposed dividend into consideration.

During 2020, Nobia has secured long-term financing through two multicurrency revolving credit facilities, amounting to SEK 5 billion. A SEK 2 billion facility with a term of three years (with the option to request an extension up to two years at the lenders' sole discretion) and a SEK 3 billion facility with a term of five years. The Group's undrawn credit facilities and cash and cash equivalents amounted to SEK 5,022 million at year-end. Undrawn credit facilities may be used, provided that the performance measures agreed with the creditors have been fulfilled.

The proposal on attribution of profits does not affect the company's capacity to meet its current and anticipated payments on time. The parent company's and the Group's readiness to pay are also deemed to be satisfactory after the proposed dividend.

The parent company's and the Group's financial situation does not give rise to another assessment than that the parent company may continue its business and is expected to be able to fulfil its obligations in both the short and long terms.

The Board of Directors has considered other known conditions which have not been mentioned above and which may have an impact on the financial position of the parent company and the Group. No other circumstance has emerged which does not cause the proposed dividend to appear as justifiable.

With reference to the above and what has come to the knowledge of the Board of Directors, the Board of Directors' judgement is that a comprehensive assessment of the company's and the Group's financial position leads to the dividend being justifiable, pursuant to Chapter 17 Section 3 second and third paragraphs of the Swedish Companies Act, with regards to the requirements on the amount of equity by the nature, scope and risks associated with the business; and the company's consolidation requirements, liquidity and financial position in general.

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Stockholm, March 2022

**Nobia AB (publ)**

*Board of Directors*

**Proposal by the Board of Directors of Nobia AB (publ), reg. no 556528-2752, regarding the appropriation of profits<sup>1</sup>**

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The following profits in Nobia AB (publ) are at the disposal of the Annual General Meeting (amounts in SEK):

Share premium reserve	52,225,486
Unappropriated profit carried forward	602,728,837
Net profit for the year	707,125,899

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<b>SEK total</b>	<b>1,362,080,222</b>
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The Board of Directors proposes that the profits at the disposition of the Annual General Meeting are appropriated as follows (amounts in SEK):

Ordinary dividend of SEK 2.50 per share to be paid to the shareholders	420,632,052
To be carried forward	941,448,170

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<b>SEK total</b>	<b>1,362,080,222</b>
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The Board of Directors proposes that the ordinary dividend for the financial year 2021 of SEK 2.50 per share is adopted.

The record date to be entitled to receive dividends is proposed as Monday, May 9, 2022. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Thursday, May 12, 2022. The last trading day in the Nobia share including the right to receive dividend will be Thursday, May 5, 2022, and the first trading day in the Nobia share not including a right to receive dividend will be Friday, May 6, 2022.

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Stockholm, March 2022

**Nobia AB (publ)**  
*Board of Directors*

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<sup>1</sup> Based on the number of outstanding shares as of December 31, 2021.