N.B. This is an unofficial English translation

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 in the United Kingdom, as a result of Brexit, has affected the demand somewhat negatively during 2017. In addition to macroeconomic uncertainty the price competition has continued to increase. The competition has continued to be tough. In the Nordics, the demand within the project segment has been strengthened. The demand within the consumer segment has also improved during 2017. In the beginning of 2017, the demand for Nobia's products in Austria was weak but has thereafter recovered.

All in all, following an intact demand, the group's operating result for 2017 has remained unchanged compared to the previous year in all material aspects. The cash flow was affected by the repayment of debenture loans. The net debt has decreased, as a result of a lower pension debt. The company's dependence on the cyclicality of the economy does not deviate from its industry as a whole.

The parent company's and the group's financial position

The Board of Directors proposes an ordinary dividend of SEK 3.50 (3.00) per share, as well as an extraordinary dividend of SEK 3.50 (0.00) per share, corresponding to approximately 65 percent of the parent company's non-restricted equity, which amounts to SEK 1,819 million before the dividend. After the dividend it is proposed that SEK 639 million is carried forward.

Taking the proposed dividend of SEK 1,180 (505) 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 2,874 million before dividends and SEK 1,694 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 31 December 2017, are stated in the latest annual report.

The justification of the dividend proposal

The proposed dividend constitutes 33 percent of the parent company's equity and 28 percent 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 parent company's equity debt ratio amounts to negative 62 percent before dividends and negative 43 percent after dividends. The group's equity debt ratio amounts to 2 percent before dividends and 42 percent after dividends, which does not exceed the group's target that the equity debt ratio shall not exceed 100 percent. The group's equity debt ratio does not deviate from the industry as a whole. The proposed dividend does not jeopardize the fulfilment of necessary investments.

The Board's 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 attached to the business, taking the proposed dividend into consideration.

The situation on the financial markets has been stable during 2017, which means that the risk for increasing costs and lack of capital for refinancing is deemed to be low. Nobia continuously monitors the credit market and ascertains, among others through improvement of the cash flow, that the group's financial position enables access to credits. Since 2014, Nobia has a syndicated loan of SEK 1 billion with a duration of five years. As of the year-end 2017, this loan was undrawn. During 2017, Nobia has repaid a debenture loan of SEK 800 million from SEK Securities (the Swedish Export Credit Agency). The group's undrawn credit facilities and liquid funds amounted to SEK 1,772 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's 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.

The Board of Directors in March 2018

Proposal by the Board of Directors of Nobia AB (publ), reg. no 556528-2752, regarding the appropriation of profits[1]

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	877,686,872
Net profit for the year	889,324,386
SEK total	**1,819,236,744**

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 3.50 per share to be paid to the shareholders	590,043,604.50
Extraordinary dividend of SEK 3.50 per share to be paid to the shareholders	590,043,604.50
To be carried forward	639,149,535
SEK total	**1,819,236,744**

The Board of Directors proposes that the ordinary dividend for the financial year 2017 of SEK 3.50 per share is adopted and that the extraordinary dividend for the financial year 2017 of SEK 3.50 per share is adopted.

The record date to be entitled to receive dividends is proposed as Thursday, 12 April 2018. If the annual general meeting resolves in accordance with the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Tuesday, 17 April 2018. The last trading day in the Nobia share including the right to receive dividend will be Tuesday, 10 April 2018, and the first trading day in the Nobia share not including a right to receive dividend will be Wednesday, 11 April 2018.

The Board of Directors in March 2018

[1] Based on the number of outstanding shares as of 31 December 2017.