

# Proposal by the Board of Directors of Nobia AB (publ), reg. no. 556528-2752, regarding performance share plan and transfer of bought-back shares

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The Board of Directors proposes that the Annual General Meeting resolves on a performance share plan ("**Performance Share Plan 2024**") for Nobia AB (publ) ("**Nobia**") and on transfer of bought-back shares according to items A) and B) below.

## (A) Performance Share Plan 2024

### 1.1 Performance Share Plan 2024 in brief

The Performance Share Plan 2024 is designed to drive a long-term value growth for the shareholders and is essentially follows the same structure as the performance share plan adopted at the Annual General Meeting 2023. The purpose of the Performance Share Plan 2024 is to link the employees' rewards to the company's future earnings and value growth and thereby reward both shareholders and the employees concerned. Furthermore, a long-term incentive plan is also considered to facilitate the company's recruitment and retention of key employees, particularly outside of Sweden, where approximately 55 per cent of the target group for Performance Share Plan 2024 are employed.

To participate in the plan a personal investment in shares in Nobia is required. After the vesting period, the participants will be allocated shares in Nobia free of charge, provided that certain conditions are fulfilled. In order to be entitled to allotment of shares, the participant must have had continued employment in the Nobia Group during the vesting period and none of the invested shares shall have been transferred during the same period. In addition, allocation of shares requires that performance target related to earnings before interests and taxes (EBIT) are fulfilled.

### 1.2 Participants in Performance Share Plan 2024

Performance Share Plan 2024 comprises approximately 60 employees consisting of senior executives, senior managers and employees with senior positions within the Nobia Group, divided into two categories. The first category includes the President, group management team and senior managers (approximately 14 persons) and the second category comprises employees with senior positions within the Nobia Group (approximately 46 persons).

### 1.3 The personal investment and allocation of share rights

To participate in Performance Share Plan 2024, the participant is required to acquire shares in Nobia at market price over Nasdaq Stockholm ("**Saving Shares**") to a value corresponding to either 25, 50, 75 or 100 per cent of the participant's investment cap. Category one has an investment cap of 10 per cent of the annual contractual salary 2024 before tax and each Saving Share entitles to a maximum of six (6) share rights. Category two has an investment cap of 5 per cent of the annual contractual salary 2024 before tax and each Saving Share entitles to a maximum of four (4) share rights. Allocation of shares in Nobia shall normally occur within four weeks after announcement of Nobia's interim report for the fourth quarter of 2026 .

## 1.4 Terms for share rights

The following conditions apply to share rights:

- (a) Share rights are allocated free of charge.
- (b) The participants are not entitled to transfer, pledge or divest the share rights or exercise any shareholders' rights regarding the share rights during the vesting period.
- (c) Allocation of Nobia shares under the share rights shall normally take place within four weeks after announcement of Nobia's interim report for the fourth quarter of 2026. To be entitled to receive shares, it is required, with certain exemptions, that the participant remains employed within the Nobia Group and that none of the Saving Shares acquired initially have been disposed of during the vesting period. In addition, allocation of shares requires that Nobia has fulfilled performance targets according to item 1.5 below.
- (d) If Nobia pays dividends to the shareholders, the participants in Performance Share Plan 2024 will be compensated by an increase in the number of shares that each share right qualifies for.

## 1.5 Performance target

Allocation requires that target levels established by the Board of Directors are achieved related to earnings before interests and taxes (EBIT) during the financial years 2024-2026. The Board of Directors will adjust the outcome for items affecting comparability.

If the established minimum level for the performance target is achieved, the share rights will entitle to 25 per cent allocation. If the minimum level in the range is not achieved, the share rights will not give entitlement to any allocation while each share right gives entitlement to one Nobia share if the maximum level in the range is achieved. Between the minimum level and the maximum level, allocation will be linear, based on the values in between.

The Board of Directors intends to present the fulfilment of the performance target in the annual report for 2026. The outcome of Performance Share Plan 2024 will also be included in Nobia's remuneration report for 2026.

## 1.6 Vesting period

Allocation of shares in Nobia shall normally occur within four weeks after announcement of Nobia's interim report for the fourth quarter of 2026. Thus, the vesting period is, albeit marginally, shorter than three years. The shorter vesting period is in line with Nobia's long-term business plan, strategy and financial targets. The Board of Directors further consider that the shorter vesting period is motivated particularly by that the performance target to be achieved in order for shares to be allocated under the Performance Share Plan 2024 is measured based on full year results for the current financial year as well as the following two financial years. This is also in line with the corresponding performance share plans that previously have been adopted at Nobia's annual general meetings. Further, it is also reasonable and natural that the participants receives notice of allocation under the Performance Share Plan 2024 and that allocation is executed in close connection to determination of the level of achievement of the performance target. In light of the above, the Board of Directors deems that the shorter vesting period is appropriate and reasonable in order to achieve the purpose of the program.

## 1.7 Formulation and administration

The Board of Directors, or a specific committee appointed by the Board of Directors, shall be responsible for the formulation and administration of Performance Share Plan 2024 within the scope of the terms and directions set out herein. If the delivery of shares to persons outside of Sweden cannot be achieved at reasonable costs and with reasonable administrative efforts, the Board of Directors may decide that participants outside of Sweden may instead be offered cash-based settlement. The Board of Directors shall also be entitled to divest shares on behalf of participants in connection with allocation, to cover the employee's tax duty. If significant changes occur in Nobia or in the conditions

in which it operates, which would have the effect that the resolved terms and conditions for allocation and the possibility to use the share rights no longer are appropriate, the Board of Directors shall be entitled to make other adjustments.

## 1.8 Specific evaluation before allocation of shares

Before the number of shares that are to be allocated based on the share rights is finally determined, the Board of Directors shall assess if the outcome of Performance Share Plan 2024 is reasonable. This assessment is made in relation to Nobia's financial result and position, the stock market and other conditions in general. If the Board of Directors in its assessment considers that the outcome is not reasonable, the Board of Directors may reduce the number of shares to be allocated.

## 1.9 Scope

The number of Saving Shares acquired and the number of shares allocated under Performance Share Plan 2024 is based on the size of the participant's investments and the price of the Nobia share at the time of acquisition. The maximum number of shares in Nobia that can be allocated to the participants under Performance Share Plan 2024 amounts to 8,065,000. Including the shares that may be divested on Nasdaq Stockholm to cover costs related to Performance Share Plan 2024, the total amount of shares in Nobia that can be emanated under the Performance Share Plan 2024 shall be limited to 8,450,000, which represents approximately 5.0 per cent of the outstanding shares and votes as of the date of this proposal and approximately 1.3 per cent of the outstanding shares and votes after registration of Nobia's ongoing rights issue<sup>1</sup>. The number of shares included in Performance Share Plan 2024 shall, under conditions that the Board of Directors stipulates, be subject to recalculation where Nobia implements a bonus issue, a share split or a reverse share split, a rights issue or similar corporate actions, with regard to customary practice for similar incentive plans.

## 1.10 Hedging

In order to secure the delivery of Nobia shares under Performance Share Plan 2024, the Board of Directors proposes that the Board of Directors will be entitled to decide on alternative methods for transfer of Nobia shares under the plan. The Board of Directors therefore proposes that it be entitled to transfer bought-back Nobia shares to the participants or to enter into so-called equity swap agreements with third parties in order to fulfil its obligations under the plan (pursuant to item B) below). The Board of Directors regards the first alternative, i.e. the transfer of bought-back shares to the participants, to be the most cost efficient and flexible arrangement for the delivery of Nobia shares.

## 1.11 Estimated costs and key ratios

The share rights cannot be pledged or transferred to others. The value for each share equals the share price. Based on the assumptions *inter alia* that all persons who have been offered participation in the plan participate, that the participants make maximum investments, a full achievement of the maximum levels of the performance target, that approximately 80 per cent of the participants stay in the plan and with certain estimated social security costs, the aggregate estimated costs are approximately SEK 38 million. This estimate is based on the closing price for the Nobia share on April 8, 2024 and a closing price at the time of delivery of Nobia shares after the vesting period of SEK 5.61 (corresponding to an annual share price increase of approximately 8 per cent). With the same assumptions but a closing price of the Nobia share at the time of delivery of Nobia shares after the vesting period of SEK 6.20 (corresponding to an annual share price increase of approximately 12 per cent), the aggregate estimate cost are approximately SEK 39 million. The plan has no limitation on

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<sup>1</sup> As of the date of this proposal, there are 170,293,458 outstanding shares and votes in Nobia. After registration of new shares following Nobia's ongoing rights issue, which is estimated to be completed and registered no later than 30 April 2024, there will be 675,051,921 outstanding shares and votes in Nobia.

maximum profits per share right for the participants and therefore no maximum social security costs can be calculated.

The costs are treated as staff costs in the profit and loss accounts during the vesting period, in accordance with IFRS 2 on share-based payments. In the profit and loss accounts, social security costs will accrue in accordance with UFR 7 over the vesting period. The size of these costs will be calculated on the Nobia share price development during the vesting period and allocation of the share rights.

## **1.12 The preparation of the proposal**

Performance Share Plan 2024 has been initiated by the Board of Directors and prepared together with external advisors based on an evaluation of previous incentive plans. The plan has been prepared by the Remuneration Committee and processed at Board meetings during the first months of 2024.

## **1.13 Other incentive plans in Nobia**

Please refer to Nobia's website and annual report for 2023 for a description of all Nobia's other share-based incentive plans. Nobia has no share-based incentive plans other than those described therein.

## **1.14 The proposal by the Board of Directors**

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves to introduce Performance Share Plan 2024.

## **1.15 Majority requirement**

A resolution to introduce Performance Share Plan 2024, in accordance with the Board of Directors' proposal, is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

# **(B) Transfer of shares under Performance Share Plan 2024**

## **2.1 Background**

In order to implement Performance Share Plan 2024 in a cost-efficient and flexible manner, the Board of Directors has considered different methods for ensuring the delivery of Nobia shares to participants upon allocation under Performance Share Plan 2024.

Based on these considerations, the Board of Directors intends to ensure delivery by transferring shares held by Nobia to the participants. A transfer of Nobia's bought-back shares in this way requires a particularly high majority to be met at the Annual General Meeting. In the event that the Board of Directors' proposal regarding the transfer of bought-back shares to the participants does not receive the required majority, or in the case that the bought-back shares held by Nobia amounts to less than the number of shares to be allocated to the participants according to the Performance Share Plan 2024, the Board of Directors intends to enter into an equity swap agreement with a third party to secure that delivery of Nobia shares can be made to the participants.

## **2.2 The Board of Directors' proposal on resolution of transfer of bought-back shares to the participants**

The Board of Directors therefore proposes that the Annual General Meeting resolves on the transfer of bought-back shares in accordance with the terms set out below:

- (a) Transfer can be made of a maximum of 8,065,000 Nobia shares to participants in Performance Share Plan 2024 (or a higher number that may result from a recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a new share issue or similar measures, in accordance with what is customary practice for corresponding incentive plans).

- (b) The transfer of shares shall be made without payment and at the time according to the terms and conditions when the participants in Performance Share Plan 2024 are entitled to receiving allocation of shares.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is part of executing Performance Share Plan 2024. Therefore, and in light of the above, the Board of Directors considers it to be to the benefit of Nobia to transfer shares in accordance with the proposal.

## 2.3 Majority requirement

The Board of Directors' proposal under item 2.2 above is valid if supported by shareholders holding no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item B) is conditional upon that the Board of Directors' proposal on Performance Share Plan 2024 is approved by the Annual General Meeting (item A) above).

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Stockholm, April 2024

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