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

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.

Nobia did not leave any dividend for the financial year of 2019. Due to the ongoing pandemic, the Board of Directors decided, prior to the Annual General Meeting 2020, to withdraw the proposed dividend which was communicated in the year-end report for 2019.

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 in addition to the final Brexit in the United Kingdom. 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. In the Nordics, the demand has been exceptionally strong, considering the pandemic, and Central Europe has increased sales in 2020, despite a large decline during the second quarter, indicating that the demand for Nobia's products is increasing.

The Covid-19 pandemic has impacted the Group negatively compared to 2019 with United Kingdom showing a decline to previous year on back of the Q2 lockdown, partly offset by improved performance in the Nordics as well as Central Europe. The cash flow during 2020 has been particularity good driven by focus from all business entities to improve working capital, cautious investment decisions, good cost control, as well as the decision to not pay any dividend.

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

The Board of Directors proposes a dividend of SEK 2.00 (0.00) per share, corresponding to approximately 31 per cent of the parent company's non-restricted equity, which amounts to SEK 1,078 million before the dividend. After the dividend, it is proposed that SEK 741 million is carried forward.

Taking the proposed dividend of approximately SEK 338 (0) 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 2,217 million before dividends and SEK 1,879 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, 2020, are stated in the latest annual report.

The justification of the dividend proposal

The proposed dividend constitutes 12 per cent of the parent company's equity and 8 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 parent company's equity debt ratio amounts to -51 percent before dividends and -44 percent after dividends. The Group's equity debt ratio amounts to 59 percent before dividends and 65 percent after dividends, which does not exceed the Group's target that the equity debt ratio shall not exceed 100 per cent. 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 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 attached to 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 liquid funds amounted to SEK 5 699 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.

Stockholm, March 2021
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[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	1,233,554,474
Net profit for the year	- 207,482,212
SEK total	**1,078,297,748**

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 2.00 per share to be paid to the shareholders	337,705,642
To be carried forward	740,592,106
SEK total	**1,078,297,748**

The Board of Directors proposes that the ordinary dividend for the financial year 2020 of SEK 2.00 per share is adopted.

The record date to be entitled to receive dividends is proposed as Monday, May 3, 2021. 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 6 2021. The last trading day in the Nobia share including the right to receive dividend will be Thursday, April 29, 2021, and the first trading day in the Nobia share not including a right to receive dividend will be Friday, April 30, 2021.

Stockholm, March 2021
Nobia AB (publ)
Board of Directors

[1] Based on the number of outstanding shares as of December 31, 2020.