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## **Board's statement regarding proposed appropriation of profits**

The Board of Holmen AB has proposed that the 2022 Annual General Meeting resolves in favour of paying a dividend of SEK 7.50 per share as well as an extra dividend of SEK 4.00 per share, a total of SEK 1,862 million. Last year, a dividend of SEK 7.25 per share was paid as well as an extra dividend of SEK 3.50 per share, a total of 1 741 million. The proposal complies with the Board's policy, in that decisions on share dividends shall be based on appraisal of the Group's profitability situation, future investment plans and financial position.

The Board has established that the Group should have a strong financial position with a net financial debt not exceeding 25 per cent of equity. At 31 December 2021 it amounted to 9 per cent. The proposed dividend would increase net debt to equity by 4 percentage points.

Holmen AB's equity at 31 December 2021 amounted to SEK 12 990 million, of which non-restricted equity was SEK 7 076 million. Assets and liabilities measured at fair value according to Chapter 4 Section 14a of the Swedish Annual Accounts Act had an impact of SEK 944 million on equity. The Group's equity at 31 December 2021 amounted to SEK 46 992 million. In accordance with IFRS, no distinction is made at Group level between restricted and non-restricted equity.

The Board considers that payment of a dividend of the amount proposed is justifiable in view of the demands made on the company and the Group by the nature, extent and risks associated with the business in terms of the amount of equity required, and taking into account the need for consolidation, liquidity and financial position in other respects. The financial position will remain strong after payment of the proposed dividend and is considered to be fully adequate to enable the company to fulfil its obligations in both the short and the long term, as well as to finance such investments as may be necessary.

Stockholm, February 2022

The Board of Directors