

# **THE BOARD OF DIRECTORS' OF ODD MOLLY INTERNATIONAL AB (PUBL) PROPOSAL REGARDING DIVIDEND ACCORDING TO CHAPTER 18 SECTION 3 OF THE SWEDISH COMPANIES ACT AND ITS STATEMENT ACCORDING TO CHAPTER 18 SECTION 4 OF THE SWEDISH COMPANIES ACT**

## **Proposal regarding dividend**

The board of directors of Odd Molly International AB (publ) (the “**Company**”) proposes that the annual general meeting on 11 May 2017 (the “**Meeting**”) resolves to approve a dividend of SEK 5,752,000, equivalent to SEK 1 per share, by way of a cash payment to the shareholders.

The board of directors further proposes that the Meeting resolves to set Monday, 15 May 2017 as record date for when a shareholder must be entered in the share register in order to be entitled to dividend. If the Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Thursday, 18 May 2017.

## **The board of directors' statement**

The board of directors assesses the proposed dividend to be justifiable with reference to the requirements that the nature, scope and risks of business put on the size of the Company and the group's equity as well as the Company and the group's need to strengthen its balance sheet, liquidity and financial position. Hereby, the board of directors has taken into account the Company's and the group's financial situation as set out in the annual report for the financial year 1 January 2016 – 31 December 2016, and other relevant conditions of which the board of directors is aware.

When assessing whether the proposed dividend is justifiable, the board of directors has also taken the following into account. The proposed dividend corresponds to approximately 7 percent of the Company's adjusted equity according to the most recent adopted balance sheet as per 31 December 2016. Prior to the dividend, the equity ratio of the Company amounts to approximately 37 percent according to the most recent adopted balance sheet. After the dividend, the equity ratio of the Company will amount to approximately 34 percent, calculated on the basis of the most recent adopted balance sheet. With respect to the group, the proposed dividend corresponds to approximately 5 percent of the group's reported equity according to the most recent adopted balance sheet as per 31 December 2016. Prior to the dividend, the equity ratio of the group amounts to approximately 55 percent according to the most recent adopted balance sheet. After the dividend, the equity ratio of the group will amount to approximately 52 percent, calculated on the basis of the most recent adopted balance sheet. The proposed dividend does not jeopardize the completion of the investments deemed necessary and it does not affect the Company's ability fulfill its obligations in due season in short and long term. The Company's liquidity

forecast includes preparedness to manage variations with respect to ongoing payment obligations. The board of directors further assesses that the Company and the group's equity ratio is good in relation to the conditions within the industry in which the Company and the group operate.

In the most recent adopted balance sheet, certain financial instruments are measured at fair value in accordance with Chapter 4 Section 14 a in the Annual Accounts Act (Sw. *årsredovisningslagen (1995: 1554)*). Out of the Company's equity, approximately SEK 1.6 million (pre-tax) constitutes accumulated changes in value due to these assets being measured at fair value. Out of these accumulated changes in value, approximately SEK 0.5 million (before tax) constitutes changes in value through other comprehensive income.

The board of directors assesses that the size of equity as reported in the annual report is proportionate to the scope of the Company and the group's operations and the risks associated with conducting the business, even the proposed dividend taken into account.

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