

Item 9 b of the proposed agenda for the annual general meeting on 4 May 2022.

**Reasoned statement by the board of H & M Hennes & Mauritz AB (publ) in accordance with Chapter 18 § 4 of the Swedish Companies Act**

According to Chapter 18 § 4 of the Swedish Companies Act the board of the company is to present a reasoned statement on the proposed dividend as a basis for the annual general meeting's consideration of the matter.

As at 30 November 2021 the company's restricted equity amounted to around SEK 294,694,000 and the company's non-restricted equity to SEK 20,104,090,638. The proposed dividend is expected to decrease the available non-restricted equity by SEK 10,757,968,000 to around SEK 9,346,122,638. The parent company's equity includes no unrealised changes in value from the measurement of financial instruments at fair value.

The board of directors has decided to propose to the shareholders that the annual general meeting on 4 May 2022 resolve to pay a dividend of SEK 6.50 per share, amounting to SEK 10,757,968,000 in total. The dividend will be paid in cash and split into two instalments, one in May and one in November. The record date proposed for the first dividend payment of SEK 3.25 is 6 May 2022. This would then be paid out on 11 May 2022. The record date proposed for the second dividend payment of SEK 3.25 is 11 November 2022. This would then be paid out on 16 November 2022.

As at 30 November 2021, after deducting the proposed dividend, the company's financial strength – measured based on its equity/assets ratio – would have been 47.7 percent. As at 30 November 2021, the group's financial strength – measured in the same way – would have been 29.1 percent.

This statement has been prepared in accordance with Chapter 18 § 4 of the Swedish Companies Act and forms the board's assessment of whether the proposed distribution of earnings is justifiable with regard to what is stated in Chapter 17 § 3 second and third paragraphs of the Companies Act.

The board of directors' intention is for the H&M group to continue to provide shareholders with a good return while ensuring that growth and investments in the business can proceed with a strong financial position and freedom of action. In view of this, the board has established a dividend policy stating that over time the ordinary dividend is to exceed 50 percent of profit after tax and additionally that identified surplus liquidity – taking into consideration the capital structure target and investment requirements – can be distributed to shareholders through an extra dividend or a buyback programme.

The board's assessment is that the proposed distribution of earnings and the proposed authorisation for a buyback programme is justifiable taking into consideration the full-year result, the good cash flow, the continued strong financial position and the ability to make future investments (capex). The proposals take into consideration the financial position and continued freedom of action of the group and the parent company, the capital structure target and the requirements that the nature and extent of the business, and its risks, expansion and development plans impose on the group's and the parent company's equity and liquidity.

Stockholm 2022  
The Board of Directors of H & M Hennes & Mauritz AB (publ)