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Alfa Laval commences the recommended public cash tender offer for all shares in Neles on 13 August 2020

Alfa Laval AB (publ), 12 August 2020 at 4:30 p.m. CEST

Alfa Laval AB (publ) ("**Alfa Laval**" or the "**Offeror**") and Neles Corporation ("**Neles**" or the "**Company**") announced on 13 July 2020 that they had entered into a combination agreement (the "**Combination Agreement**") pursuant to which Alfa Laval undertook to make a voluntary recommended public cash tender offer for all issued and outstanding shares in Neles (the "**Tender Offer**").

The Finnish Financial Supervisory Authority has today approved the Finnish language version of the tender offer document relating to the Tender Offer (the "**Tender Offer Document**"). The acceptance period under the Tender Offer (the "**Offer Period**") will commence on 13 August 2020 at 9:30 a.m. (Finnish time) and expire on 22 October 2020 at 4:00 p.m. (Finnish time), unless the Offer Period is extended in accordance with the terms and conditions of the Tender Offer and applicable laws and regulations. The Tender Offer is currently expected to be completed during the fourth quarter of 2020.

The Tender Offer Document will be available in Finnish and in English from 13 August 2020 onwards at the headquarters of Alfa Laval, Rudeboksvägen 1, SE-226 55 Lund, Sweden, at the offices of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Eteläesplanadi 18, FI-00130 Helsinki, Finland and at Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**"), Fabianinkatu 14, FI-00100 Helsinki, Finland. The electronic version of the Tender Offer Document will be available in Finnish and English from 13 August 2020 onwards online at <https://www.alfalaval.com/investors> and <https://sebgroupp.com/large-corporates-and-institutions/prospectuses-and-downloads/prospectuses>, as well as in Finnish from 13 August 2020 onwards online at www.neles.com/ostotarjous-alfalaval and in English from 13 August 2020 onwards online at www.neles.com/offer-alfalaval.

The price offered for each share validly tendered in the Tender Offer is EUR 11.50 in cash (the "**Offer Price**"). The Offer Price has been determined based on 150,197,895 issued and outstanding shares in Neles as at 13 July 2020. Should the number of issued and outstanding shares in Neles change as a result of a new share issue, reclassification, stock split or any other similar transaction, or should Neles distribute a dividend or otherwise distribute funds or any other assets to its shareholders, or should a record date with respect to any of the foregoing occur prior to the completion of the Tender Offer, the Offer Price shall be reduced accordingly on a euro-for-euro basis.

The members of the Board of Directors of Neles who participated in the decision-making have unanimously decided to recommend that the shareholders accept the Tender Offer. Cevian Capital Partners Limited, who holds approximately 10.9 percent of the issued and outstanding shares in the Company, has on customary conditions irrevocably undertaken to accept the Tender Offer.

The completion of the Tender Offer is subject to certain customary conditions being fulfilled or waived by the Offeror on or by the date of the Offeror's announcement of the final result of the Tender Offer. These include, among others, the obtaining of all necessary regulatory approvals and that the Tender Offer has been accepted with respect to shares representing, together with shares otherwise acquired by the Offeror prior to or during the Offer Period, more than two-thirds (2/3) of the issued and outstanding shares and votes in Neles.

Most of the Finnish book-entry account operators are expected to send a notification of the Tender Offer, including instructions and the relevant acceptance form to their customers who are registered as shareholders in the shareholders' register of Neles maintained by Euroclear Finland Oy. Shareholders of Neles who do not receive such instructions or an acceptance form from their book-entry account operator or asset manager should primarily contact their book-entry account operator or asset manager. Secondly, such shareholders can contact Skandinaviska Enskilda Banken AB (publ) by sending an email to NelesOffer@seb.fi in order to receive information for submitting their acceptance. A shareholder in Neles whose shareholdings are registered in the name of a nominee and who wishes to accept the Tender Offer shall effect such acceptance in accordance with the nominee's instructions. The Offeror will not send acceptance forms or other documents related to the Tender Offer to such shareholders of Neles.

The Offeror will announce the preliminary result of the Tender Offer on or about the first (1st) Finnish banking day following the expiry of the Offer Period (as extended or discontinued, as the case may be). In connection with the announcement of the preliminary result of the Tender Offer, the Offeror will announce whether the Tender Offer will be completed subject to the conditions to completion being fulfilled or waived on the date of the announcement of the final result of the Tender Offer, and whether the Offer Period will be extended. The Offeror will announce the final result of the Tender Offer on or about the third (3rd) Finnish banking day following the expiry of the Offer Period (as extended or discontinued, as the case may be). The announcement of the final result will confirm (i) the percentage of the shares that have been validly tendered and not properly withdrawn and (ii) whether the Tender Offer will be completed.

The Offeror reserves the right to acquire shares in Neles in public trading on Nasdaq Helsinki or otherwise outside the Tender Offer before, during and after the Offer Period (as extended, as the case may be) and any subsequent Offer Period to the extent permitted by applicable laws and regulations.

The terms and conditions of the Tender Offer are enclosed in their entirety to this stock exchange release (Appendix 1).

SEB Corporate Finance, Skandinaviska Enskilda Banken AB (publ) acts as financial advisor to Alfa Laval and as arranger in connection with the Tender Offer. Avance Attorneys Ltd, Advokatfirman Vinge KB and Cleary Gottlieb Steen & Hamilton LLP act as legal advisors to Alfa Laval in connection with the Tender Offer.

Morgan Stanley & Co. International plc acts as financial advisor to Neles in connection with the Tender Offer. Roschier, Attorneys Ltd. acts as legal advisor to Neles in connection with the Tender Offer.

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About Alfa Laval

Alfa Laval is active in the areas of Energy, Marine, and Food & Water, offering its expertise, products, and service to a wide range of industries in some 100 countries. The company is committed to optimizing processes, creating responsible growth, and driving progress – always going the extra mile to support customers in achieving their business goals and sustainability targets.

Alfa Laval’s innovative technologies are dedicated to purifying, refining, and reusing materials, promoting more responsible use of natural resources. They contribute to improved energy efficiency and heat recovery, better water treatment, and reduced emissions. Thereby, Alfa Laval is not only accelerating success for its customers, but also for people and the planet. Making the world better, every day. It’s all about Advancing better™.

Alfa Laval has 17,500 employees. Annual sales in 2019 were SEK 46.5 billion (approx. EUR 4.4 billion). The company is listed on Nasdaq OMX.

Alfa Laval's key financials are summarised below.

Financials (2019, SEK million)¹	
Net sales	46,517
Operating profit (EBIT)	7,198
Adjusted EBITA ²	7,989
Total assets (as per 31 December 2019)	64,396

¹ As per Alfa Laval Group's 2019 annual report.

² Defined as operating income before amortization of step-up values, adjusted for items affecting comparability.

About Neles

Neles a global leader in flow control solutions and services. The company’s valves and valve automation technologies are known for quality, reliability and highest safety. The customers of Neles operate in oil and gas refining, pulp, paper and bioproducts industry, chemicals and other process industries.

Neles started trading as an independent company on 1 July 2020 following the partial demerger of Metso Corporation, but the business has a long track record with a history of innovation for more than 60 years. Currently the company has about 2,900 employees. Neles' key financials are summarised below.

Financials (2019, EUR million)¹	
Net sales	660
Operating profit (EBIT)	93

Adjusted EBITA ²	96
Total assets (as per 31 December 2019) ³	582

¹ As per Metso's 2019 annual report.

² Defined as operating profit before amortization of intangible assets.

³ Calculated as group total assets less total assets of discontinued operations.

IMPORTANT INFORMATION

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THIS STOCK EXCHANGE RELEASE IS NOT A TENDER OFFER DOCUMENT AND AS SUCH DOES NOT CONSTITUTE AN OFFER OR INVITATION TO MAKE A SALES OFFER. IN PARTICULAR, THIS STOCK EXCHANGE RELEASE IS NOT AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES DESCRIBED HEREIN, AND IS NOT AN EXTENSION OF THE TENDER OFFER, IN, AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, OR SOUTH AFRICA. INVESTORS SHALL ACCEPT THE TENDER OFFER FOR THE SHARES ONLY ON THE BASIS OF THE INFORMATION PROVIDED IN A TENDER OFFER DOCUMENT. THE TENDER OFFER IS NOT BEING MADE, AND THE SHARES WILL NOT BE ACCEPTED FOR PURCHASE FROM OR ON BEHALF OF PERSONS, DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE EITHER AN OFFER OR ACCEPTANCE THEREOF IS PROHIBITED BY APPLICABLE LAW OR WHERE ANY TENDER OFFER DOCUMENT OR REGISTRATION OR OTHER REQUIREMENTS WOULD APPLY IN ADDITION TO THOSE UNDERTAKEN IN FINLAND.

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THIS STOCK EXCHANGE RELEASE AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING MADE AND HAVE NOT BEEN APPROVED BY AN AUTHORISED PERSON FOR THE PURPOSES OF SECTION 21 OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA"). ACCORDINGLY, THIS STOCK EXCHANGE RELEASE AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. THE COMMUNICATION OF THIS STOCK EXCHANGE RELEASE AND

ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER IS EXEMPT FROM THE RESTRICTION ON FINANCIAL PROMOTIONS UNDER SECTION 21 OF THE FSMA ON THE BASIS THAT IT IS A COMMUNICATION BY OR ON BEHALF OF A BODY CORPORATE WHICH RELATES TO A TRANSACTION TO ACQUIRE DAY TO DAY CONTROL OF THE AFFAIRS OF A BODY CORPORATE; OR TO ACQUIRE 50 PER CENT. OR MORE OF THE VOTING SHARES IN A BODY CORPORATE, WITHIN ARTICLE 62 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005.

Information for shareholders in the United States

Shareholders in the United States are advised that the shares in Neles are not listed on a U.S. securities exchange and that Neles is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "**SEC**") thereunder.

The Tender Offer will be made for the issued and outstanding shares in Neles, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to exemptions provided by Rule 14d-1(d) under the Exchange act for a "Tier II" tender offer, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Neles' shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Neles to whom an offer is made. Any information documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Neles' other shareholders.

To the extent permissible under applicable law or regulations, Alfa Laval and its affiliates or its brokers and its brokers' affiliates (acting as agents for Alfa Laval or its affiliates, as applicable) may from time to time and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer and combination, directly or indirectly, purchase or arrange to purchase, the shares in Neles or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Neles of such information. In addition, the financial advisers to Alfa Laval may also engage in ordinary course trading activities in securities of Neles, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this stock exchange release. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of shares in Neles may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares in Neles is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for Neles' shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since Alfa Laval and Neles are located in non-U.S. jurisdictions, and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Neles' shareholders may not be able to sue Alfa Laval or Neles or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel Alfa Laval and Neles and their respective affiliates to subject themselves to a U.S. court's judgment.

Forward-looking statements

This stock exchange release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this stock exchange release.

Disclaimer

Skandinaviska Enskilda Banken AB (publ), which is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen), is acting as lead financial adviser to Alfa Laval and no one else in connection with the Tender Offer and arranger in relation to the Tender Offer, will not regard any other person than Alfa Laval as its client in relation to the Tender Offer and will not be responsible to anyone other than Alfa Laval for providing the protection afforded to clients of Skandinaviska Enskilda Banken AB (publ) nor for providing advice in relation to the Tender Offer.

Appendix 1 Terms and conditions of the Tender Offer

TERMS AND CONDITIONS OF THE TENDER OFFER

Object of the Tender Offer

Through a voluntary public cash tender offer in accordance with Chapter 11 of the Finnish Securities Market Act (746/2012, as amended, the "**Securities Market Act**") and subject to the terms and conditions set forth herein, Alfa Laval AB (publ) (the "**Offeror**" or "**Alfa Laval**") offers to acquire all of the issued and outstanding shares (the "**Shares**" or, individually, a "**Share**") in Neles Corporation (the "**Company**" or "**Neles**") that are not held by the Company or any of its subsidiaries (the "**Tender Offer**").

Alfa Laval is a public limited company incorporated under the laws of Sweden and its shares are listed on the official list of Nasdaq Stockholm AB.

Neles is a public limited company incorporated under the laws of Finland and its Shares are listed on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

The Offeror and the Company have on 13 July 2020 (the "**Announcement Date**") entered into a combination agreement (the "**Combination Agreement**") pursuant to which the Offeror makes the Tender Offer. The Tender Offer was announced by the Offeror on 13 July 2020.

Offer Price

The price offered for each Share validly tendered in accordance with the terms and conditions of the Tender Offer is EUR 11.50 in cash (the "**Offer Price**").

The Offer Price has been determined based on 150,197,895 issued and outstanding Shares as at the Announcement Date. Should the number of Shares issued and outstanding on the Announcement Date change as a result of a new share issue, reclassification, stock split or any other similar transaction, or should the Company distribute a dividend or otherwise distribute funds or any other assets to its shareholders, or should a record date with respect to any of the foregoing occur prior to the Settlement Date (as defined below), the Offer Price shall be reduced accordingly on a euro-for-euro basis, whereby the offer price so reduced shall constitute the Offer Price as defined under these terms and conditions of the Tender Offer (it being understood that in the event of an increase in the number of Shares, only the consideration payable for each Share will be reduced accordingly without any reduction in the total aggregate consideration payable by the Offeror). Any reduction of the Offer Price pursuant to the above shall be announced by way of a stock exchange release. If the Offer Price is increased or reduced, the Offer Period (as defined below) shall continue for at least ten (10) Finnish banking days following such announcement.

Offer Period

The acceptance period under the Tender Offer (the "**Offer Period**") commences on 13 August 2020 at 9:30 a.m. (Finnish time) and expires on 22 October 2020 at 4:00 p.m. (Finnish time), unless the Offer Period is extended as set forth below.

The Offeror may extend the Offer Period (i) from time to time until such time when all of the Conditions to Completion (as defined below) have been fulfilled or waived, (ii) in case of any competing offer as referred to in Chapter 11, Section 17 of the Securities Market Act, and (iii) with a Subsequent Offer Period (as defined below) in connection with the announcement of the final result of the Tender Offer whereby the Offeror also declares the Tender Offer unconditional, all as set forth below.

The Offeror will announce any extension of the Offer Period through a stock exchange release at the latest on the first (1st) Finnish banking day following the expiry of the Offer Period, i.e. on 23 October 2020. The Offeror will announce any extension of an already extended Offer Period at the latest on the first (1st) Finnish banking day following the expiry of the extended Offer Period. The Offer Period may be extended for a specified period of time or until further notice. However, the duration of any possible extension of the Offer Period or an already extended Offer Period shall be at least two (2) weeks from the date of the announcement by the Offeror concerning such extension. If the Offeror extends the Offer Period, the Offer Period will expire on the date and at the time until which the Offeror extends the Offer Period unless the extended Offer Period is discontinued as set forth below or the Offer Period is extended until further notice, in which case the Offer Period will continue until discontinued as set forth below.

According to Chapter 11, Section 12 of the Securities Market Act, the duration of the Offer Period in its entirety may be ten (10) weeks at the maximum. However, if the Conditions to Completion (as defined below) have not been fulfilled due to a particular obstacle as referred to in the Regulations and Guidelines 9/2013 on Takeover Bids and Mandatory Bids (as amended) issued by the Finnish Financial Supervisory Authority (the "**FFSA**") such as, for example, pending approval by a competition authority, the Offeror may extend the Offer Period beyond ten (10) weeks until such obstacle has been removed and the Offeror has had a reasonable time to respond to the situation in question, provided that the business operations of the Company are not hindered for longer than is reasonable, as referred to in Chapter 11, Section 12, Subsection 2 of the Securities Market Act. The Offer Period may also be extended as required under applicable laws and regulations. The expiry date of any extended Offer Period will in such case, unless published in connection with the announcement of the extension of the

Offer Period, be published by the Offeror at least two (2) weeks before such expiry. Further, any Subsequent Offer Period (as defined below) may extend beyond ten (10) weeks.

The Offeror may discontinue any extended Offer Period should all the Conditions to Completion (as defined below) be fulfilled or waived by the Offeror before the expiry of the extended Offer Period, and execute the sale and purchase of the Shares validly tendered and not properly withdrawn in accordance with section “—*Terms of Payment and Settlement of Shares*” below. If the Offeror discontinues an extended Offer Period, the Offeror will announce its decision thereon through a stock exchange release as soon as possible after such decision has been made and, in any case, at least two (2) weeks before the expiry of the extended Offer Period to be discontinued. If the Offeror discontinues the extended Offer Period, the extended Offer Period will expire on such earlier date and at the time indicated in the announcement made by the Offeror.

The Offeror reserves the right to extend the Offer Period in connection with the announcement of the final result of the Tender Offer as set forth in section “—*Announcement of the Result of the Tender Offer*” below (such extended Offer Period shall be referred to as the “**Subsequent Offer Period**”). In the event of such Subsequent Offer Period, the Subsequent Offer Period will expire on the date and at the time determined by the Offeror in the announcement concerning the final result of the Tender Offer. The expiration of a Subsequent Offer Period will be announced by way of a stock exchange release at least two (2) weeks before the expiry of such Subsequent Offer Period. The Offeror may also extend the Subsequent Offer Period by announcing this through a stock exchange release at the latest on the first (1st) Finnish banking day following the initially expected expiry of the Subsequent Offer Period.

Conditions to Completion of the Tender Offer

The obligation of the Offeror to accept for payment the tendered Shares and to complete the Tender Offer is subject to the fulfillment or, to the extent permitted by applicable laws and regulations, waiver by the Offeror of each of the following conditions agreed upon in the Combination Agreement (jointly, the “**Conditions to Completion**”) on or prior to the date of the Offeror’s announcement of the final result of the Tender Offer in accordance with the Securities Market Act:

- 1) the valid tender of Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than two thirds of the issued and outstanding Shares and voting rights in the Company;
- 2) the receipt of all necessary regulatory approvals, permits and consents, including merger control clearances, the Offeror being obliged to propose and take any such actions, including fulfilling any conditions set or remedies or commitments required under such approvals, permits, consents or clearances, including any requirements to divest or hold separate any assets or operations, or to reorganize the business of the Offeror, the Offeror’s affiliates, the Company or the Company’s affiliates, in order to ensure that the condition under this section 2) is satisfied;
- 3) no Material Adverse Change (as defined below) having occurred after the Announcement Date;
- 4) the Offeror not, after the Announcement Date, having received information previously undisclosed to it that constitutes a Material Adverse Change (as defined below);
- 5) no information made public by the Company being materially inaccurate, incomplete, or misleading, and the Company not having failed to make public any information that should have been made public by it under applicable laws and regulations or the rules of Nasdaq Helsinki, provided that, in each case, the information made public, or the failure to make information public, constitutes a Material Adverse Change (as defined below);

- 6) no court or regulatory authority of competent jurisdiction having given an order or issued any regulatory action preventing, postponing or materially challenging the completion of the Tender Offer in accordance with its terms;
- 7) the Board of Directors of the Company having issued the recommendation and the recommendation remaining in full force and effect and not having been withdrawn, modified or changed to the detriment of the Tender Offer;
- 8) the Combination Agreement not having been terminated and remaining in force and no event having occurred that would give the Offeror the right to terminate the Combination Agreement; and
- 9) the undertaking issued by Cevian Capital to accept the Tender Offer remaining in force in accordance with its terms.

“Material Adverse Change” means (i) any divestment or reorganization of all or any material part of the assets of the Company and its affiliates, in each case taken as whole; or (ii) any event, condition, circumstance, development, occurrence, change, effect or fact (any such item an **“Effect”**) that individually or in the aggregate when combined with other Effects, has, results in or would reasonably be expected to have or result in a material adverse effect on the business, assets, financial condition or results of operations of the Company and its affiliates, in each case taken as a whole, at any time or over time, excluding

- 1) any Effect in political, financial, industry, economic or regulatory conditions generally to the extent not having a disproportionate effect on the Company and its affiliates, in each case taken as a whole, relative to other companies in the same industry;
- 2) any Effect resulting from or caused by natural disasters, outbreak of major hostilities, a pandemic caused by a virus (such as Corona) or any act of war or terrorism to the extent not having a disproportionate effect on the Company and its affiliates, in each case taken as a whole, relative to other companies in the same industry;
- 3) any Effect resulting from any actions taken by the Company at the express written request of the Offeror; and
- 4) any Effect attributable to an act or omission carried out or omitted by the Offeror in connection with the Tender Offer or otherwise, or the announcement or completion of the Tender Offer (including the effect of any change of control or similar clauses in contracts entered into by the Company and its affiliates).

For the sake of clarity, under no circumstances shall any Material Adverse Change be deemed to exist to the extent the Effect causing the alleged Material Adverse Change has been fairly disclosed to the Offeror as set out in the Combination Agreement.

The Offeror reserves the right to withdraw the Tender Offer in the event that any of the above Conditions to Completion is not fulfilled. The Offeror has the right to cause the Tender Offer not to proceed, to lapse or to be withdrawn if any of the Conditions to Completion becomes, in the reasonable opinion of the Offeror, incapable of satisfaction, provided that the Effect which gives rise to the right to invoke the relevant Condition to Completion has material significance to the Offeror in view of the Tender Offer, as referred to in the Regulations and Guidelines 9/2013 on Takeover Bids and Mandatory Bids (as amended) issued by the FFSA.

The Conditions to Completion set out herein are the exhaustive conditions for the completion of the Tender Offer. The Offeror reserves the right to waive, to the extent permitted by applicable laws and regulations, any of the Conditions to Completion that have not been satisfied. If all the Conditions to

Completion have been fulfilled or the Offeror has waived the requirement for the fulfilment of all or some of them, which will be announced by way of a stock exchange release no later than on the date the Offeror announces the final result of the Tender Offer, the Offeror will complete the Tender Offer in accordance with the terms and conditions of the Tender Offer after the expiration of the Offer period (as extended, as the case may be) by purchasing Shares validly tendered in the Tender Offer and paying the Offer Price to the shareholders that have validly accepted the Tender Offer in accordance with section “—*Terms of Payment and Settlement of Shares*“ below.

Obligation to Increase the Tender Offer or to Pay Compensation

The Offeror reserves the right to acquire Shares in public trading on Nasdaq Helsinki or otherwise outside the Tender Offer before, during and after the Offer Period (as extended, as the case may be) and any Subsequent Offer Period to the extent permitted by applicable laws and regulations.

Should the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act acquire Shares after the Announcement Date and before the expiry of the Offer Period (including any Subsequent Offer Period) at a higher price than the Offer Price, or otherwise on terms that are more favorable than those of the Tender Offer, the Offeror must, according to Chapter 11, Section 25 of the Securities Market Act, amend the terms and conditions of the Tender Offer to correspond to such acquisition on more favorable terms (*obligation to increase the offer*). The Offeror shall then, without delay, make public the increase obligation and pay, in connection with the completion of the Tender Offer, the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer to the holders of Shares who have accepted the Tender Offer.

Should the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act acquire Shares within nine (9) months after the expiry of the Offer Period (including any Subsequent Offer Period) at a higher price than the Offer Price, or otherwise on more favorable terms than those of the Tender Offer, the Offeror must, according to Chapter 11, Section 25 of the Securities Market Act, compensate those holders of securities who have accepted the Tender Offer for the amount equal to the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer (*obligation to compensate*). The Offeror shall then, without delay, make public the compensation obligation and pay the difference between the more favorable acquisition terms and the consideration offered in the Tender Offer within one (1) month after the date when the compensation obligation arose to the holders of Shares who have accepted the Tender Offer.

However, according to Chapter 11, Section 25, Subsection 5 of the Securities Market Act, the compensation obligation shall not arise in case the payment of a higher price than the Offer Price is based on an arbitral award pursuant to the Finnish Companies Act, provided that the Offeror or any party acting in concert with it as referred to in Chapter 11, Section 5 of the Securities Market Act has not offered to acquire Shares on terms that are more favorable than those of the Tender Offer before or during the arbitral proceedings.

Acceptance Procedure of the Tender Offer

The Tender Offer may be accepted by a shareholder registered during the Offer Period in the shareholders' register of Neles, with the exception of Neles and its subsidiaries. The Tender Offer must be accepted separately for each book-entry account. A shareholder of the Company giving the acceptance must have a cash account with a financial institution operating in Finland or abroad (see also “—*Terms of Payment and Settlement of Shares*“ and “*Important Information*“). A shareholder may only accept the Tender Offer unconditionally and with respect to all Shares on the book-entry account mentioned in the acceptance form on the date and time of the execution of the sale and purchase of the Shares. An acceptance given during the Offer Period is effective also until the end of any extended Offer Period.

Most of the Finnish book-entry account operators are expected to send a notification of the Tender Offer, including instructions and the relevant acceptance form to their customers who are registered as shareholders in the shareholders' register of the Company maintained by Euroclear Finland Oy ("**Euroclear**"). Shareholders of Neles who do not receive such instructions or an acceptance form from their book-entry account operator or asset manager should primarily contact their book-entry account operator or asset manager. Secondly, such shareholders can contact SEB by sending an email to NelesOffer@seb.fi in order to receive information for submitting their acceptance.

A shareholder whose shareholdings are registered in the name of a nominee and who wishes to accept the Tender Offer shall effect such acceptance in accordance with the nominee's instructions. The Offeror will not send acceptance forms or other documents related to the Tender Offer to shareholders whose Shares are registered in the name of a nominee.

Pledged Shares may only be tendered with the consent of the relevant pledgee. The obtaining of such consent shall be the responsibility of the relevant shareholder in the Company. The consent by the pledgee shall be delivered to the book-entry account operator in writing.

A shareholder in the Company who is registered as a shareholder in the shareholders' register of the Company and who wishes to accept the Tender Offer shall submit a properly completed and duly executed acceptance form to the book-entry account operator managing the shareholder's book-entry account in accordance with its instructions and within the time limit set by the book-entry account operator or, in the case such book-entry account operator does not accept acceptance notifications, such shareholder shall contact primarily its own bank to give its acceptance to tender its Shares, or secondarily contact SEB by sending an email to NelesOffer@seb.fi for further information. The acceptance form shall be submitted so that it is received during the Offer Period or, if the Offer Period has been extended, during such extended Offer Period, however, always in accordance with the instructions of the relevant book-entry account operator. In the event of a Subsequent Offer Period, the acceptance form shall be submitted so that it is received during the Subsequent Offer Period, however, always in accordance with the instructions of the relevant book-entry account operator. The method of delivery of acceptance forms is at the shareholder's option and risk, and the delivery will be deemed made only when actually received by the relevant book-entry account operator. The Offeror reserves the right to reject any acceptance given in an incorrect or incomplete manner. The Offeror may also reject any partial tender of the Shares per book-entry account.

By accepting the Tender Offer, the shareholder of the Company authorizes the book-entry account operator managing the shareholder's book-entry account to enter a transfer restriction or a sales reservation on the shareholder's book-entry account after the shareholder has delivered its acceptance of the Tender Offer. In addition, the shareholder who has accepted the Tender Offer authorizes the book-entry account operator managing the shareholder's book-entry account to perform the necessary entries and to take all other actions required to technically execute the Tender Offer and to sell all the Shares held on such book-entry account at the time of the execution of trades under the Tender Offer to the Offeror in accordance with the terms and conditions of the Tender Offer.

A shareholder that has validly accepted the Tender Offer and that has not properly withdrawn its acceptance in accordance with the terms and conditions of the Tender Offer may not sell or otherwise dispose of its tendered Shares. A transfer restriction in respect of the Shares will be registered in the relevant book-entry account after a shareholder has submitted the acceptance for the Tender Offer. If the Tender Offer is not completed or if the acceptance is properly withdrawn by the shareholder in accordance with the terms and conditions of the Tender Offer, the transfer restriction registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the announcement that the Tender Offer will

not be completed or the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

Right of Withdrawal of the Acceptance

In accordance with Chapter 11, Section 16, Subsection 1 of the Securities Market Act, the acceptances for the Shares validly tendered in accordance with the terms and conditions of the Tender Offer may be withdrawn at any time during the Offer Period or, if the Offer Period has been extended, during such extended Offer Period, until the Offeror has announced that all the Conditions to Completion have been fulfilled or the Offeror has waived the right to invoke them, that is, the Offeror has announced the Tender Offer unconditional. After such announcement, the acceptances for the Shares already tendered may not be withdrawn except in the event that a third party announces a competing public tender offer for the Shares before the execution of the sale and purchase of the Shares in accordance with section “—*Terms of Payment and Settlement of Shares*” below. The holders of the Shares validly tendered may also withdraw their acceptance during the Offer Period if the Offer Period has lasted over ten (10) weeks and the completion trades with respect to such Shares have not been executed.

The proper withdrawal of the acceptance for Shares validly tendered requires the submission of a written notice of withdrawal to the same book-entry account operator to whom the acceptance form with respect to such Shares was submitted. In case of holdings that are registered in the name of a nominee, the holders of Shares shall instruct the nominee to submit the notice of withdrawal.

If a holder of Shares registered in the Finnish book-entry securities system withdraws his/her acceptance of the Tender Offer in accordance with the terms and conditions of the Tender Offer, the transfer restriction registered on the tendered Shares in the relevant book-entry account will be removed as soon as possible and within approximately three (3) Finnish banking days following the receipt of a notice of withdrawal in accordance with the terms and conditions of the Tender Offer.

A holder of Shares who has validly withdrawn its acceptance of the Tender Offer may accept the Tender Offer again during the Offer Period at any time prior to the expiry of the Offer Period or, if the Offer Period has been extended, prior to the expiry of such extended Offer Period or during the Subsequent Offer Period, if any, by following the acceptance procedures described in “—*Acceptance Procedure of the Tender Offer*” above.

The book-entry account operator managing the relevant book-entry account, or the nominee may charge a fee for withdrawals in accordance with its price list.

In the event of a Subsequent Offer Period, the acceptance of the Tender Offer shall be binding and cannot be withdrawn, unless otherwise provided under mandatory law.

Announcement of the Result of the Tender Offer

The Offeror will announce the preliminary result of the Tender Offer on or about the first (1st) Finnish banking day following the expiry of the Offer Period (as extended or discontinued, as the case may be). In connection with the announcement of the preliminary result of the Tender Offer, the Offeror will announce whether the Tender Offer will be completed subject to the Conditions to Completion being fulfilled or waived on the date of the announcement of the final result of the Tender Offer, and whether the Offer Period will be extended.

The Offeror will announce the final result of the Tender Offer on or about the third (3rd) Finnish banking day following the expiry of the Offer Period (as extended or discontinued, as the case may be). The announcement of the final result will confirm (i) the percentage of the Shares that have been validly tendered and not properly withdrawn and (ii) whether the Tender Offer will be completed.

In the event of a Subsequent Offer Period, the Offeror will announce the initial percentage of the Shares validly tendered during the Subsequent Offer Period on or about the first (1st) Finnish banking day following the expiry of the Subsequent Offer Period and the final percentage on or about the third (3rd) Finnish banking day following the expiry of the Subsequent Offer Period.

Terms of Payment and Settlement of Shares

The sale and purchase of the Shares validly tendered and not properly withdrawn in accordance with the terms and conditions of the Tender Offer will be executed no later than on the fifth (5th) Finnish banking day following the announcement of the final result of the Tender Offer (the “**Closing Date**”). The sale and purchase of the Shares will take place on Nasdaq Helsinki if permitted by the rules applicable to securities trading on Nasdaq Helsinki. Otherwise, the sale and purchase of the Shares will take place outside of Nasdaq Helsinki.

The date for the settlement of the above completion of trades (the “**Settlement Date**”) will be the Closing Date or the first (1st) Finnish banking day following the Closing Date. The payment of the Offer Price will be made on the Settlement Date into the bank account connected to the shareholder’s book-entry account or, in the case of shareholders whose holdings are registered in the name of a nominee, into the bank account specified by the custodian or nominee. The Offer Price will not be paid to a bank account situated in Canada, Japan, Australia, South Africa, Hong Kong Special Administrative Region of the People’s Republic of China or New Zealand, or any other jurisdiction where the Tender Offer is not to be made (see “*Important Information*” above), and all guidance from custodians or nominees specifying bank accounts in such jurisdictions will be rejected. The actual time of receipt for the payment by the shareholder will depend on the schedules of money transactions between financial institutions and agreements between the holder and book-entry account operator, custodian or nominee in each case.

In the event of a Subsequent Offer Period, the Offeror shall in connection with the announcement thereof announce the terms of payment and settlement for the Shares tendered during the Subsequent Offer Period. The completion trades with respect to Shares validly tendered in accordance with the terms and conditions of the Tender Offer during any Subsequent Offer Period shall, however, be executed at least within two (2) week intervals.

The Offeror reserves the right to postpone the payment of the Offer Price if payment is prevented or suspended due to a force majeure event, but shall immediately effect such payment once the force majeure event preventing or suspending payment is resolved.

If all the Conditions to Completion are not met and the Offeror does not waive such conditions or extend the Offer Period, the Tender Offer will be terminated, and no consideration will be paid for the tendered Shares.

Transfer of Ownership

Title to the Shares validly tendered and not validly withdrawn in the Tender Offer will pass to the Offeror against the payment of the Offer Price by the Offeror to the tendering shareholder.

Transfer Tax and Other Payments

The Offeror will pay the transfer taxes, if any, relating to the sale and purchase of the Shares in connection with the completion of the Tender Offer.

Fees charged by book-entry account operators, asset managers, nominees or any other person for registering the release of any pledges or other possible restrictions preventing a sale of the relevant Shares, as well as fees relating to a withdrawal of an acceptance by a shareholder in accordance with “—*Right of Withdrawal of the Tender Offer*” above, will be borne by each shareholder. The Offeror shall

be responsible for other customary fees relating to book-entry registrations required for the purposes of the Tender Offer, the sale and purchase of the Shares tendered under the Tender Offer and the payment of the Offer Price.

The receipt of cash pursuant to the Tender Offer by a shareholder may be a taxable transaction for the respective shareholder under applicable tax laws, including those of the country of residency of the shareholder. Any tax liability arising to a shareholder from the receipt of cash pursuant to the Tender Offer shall be borne by the respective shareholder. Each shareholder is urged to consult their independent professional adviser regarding the tax consequences of accepting the Tender Offer.

Other Matters

The Tender Offer and this Tender Offer Document are governed by Finnish law and all disputes relating thereto shall be exclusively settled by Finnish courts of competent jurisdiction.

The Offeror reserves the right to amend the terms and conditions of the Tender Offer in accordance with Chapter 11, Section 15, Subsection 2 of the Securities Market Act. In addition, subject to the provisions of the Combination Agreement, the Offeror reserves the right to extend the Offer Period and to amend the terms and conditions of the Tender Offer (including a potential withdrawal of the Tender Offer) in accordance with Chapter 11, Section 17 of the Securities Market Act if, during the Offer Period or any extended Offer Period, a third party announces a competing public tender offer for the Shares.

Any extension, delay, termination or amendment of the Tender Offer will be announced by way of a stock exchange release to be issued in accordance with applicable laws and regulations. The Offeror shall have sole discretion to determine all other issues relating to the Tender Offer, subject to applicable laws and regulations as well as the provisions of the Combination Agreement.

Other Information

SEB acts as the arranger in relation to the Tender Offer, which means that it performs certain administrative services relating to the Tender Offer. This does not mean that a person who accepts the Tender Offer (the "**Participant**") will be automatically regarded as a customer of SEB. A Participant will be regarded as a customer only if SEB has provided advice to the Participant or has otherwise contacted the Participant personally regarding the Tender Offer. If the Participant is not regarded as a customer, the rules regarding the protection of investors pursuant to the Finnish Act on Investment Services (747/2012, as amended) will not be applicable to the acceptance. This means, among other things, that neither the so-called customer categorization nor the so-called appropriateness test will be performed with respect to the Tender Offer. Each Participant is therefore responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the Tender Offer.

Important Information regarding NID and LEI

According to Directive 2014/65/EU (MiFID II) of the European Parliament and of the Council, all investors must have a global identification code from 3 January 2018 in order to carry out a securities transaction. These requirements require legal entities to apply for registration of a LEI (Legal Entity Identifier) code, and natural persons need to provide their NID (National ID or National Client Identifier) to accept the Tender Offer. The person's legal status determines whether a LEI or NID number is required and the book-entry account operator may be prevented from performing the transaction to the person if the LEI or NID number is not provided. Legal persons who need to obtain a LEI code can contact one of the suppliers available on the market. Those who intend to accept the Tender Offer are encouraged to apply for registration of a LEI code (legal persons) or to acquire their NID number (natural persons) well in advance, as this information is required on the acceptance form at the time of its submission.

Information regarding Processing of Personal Data

Those who accept the Tender Offer will submit personal data, such as name, address and social security number, to SEB, who is the controller of the processing. Personal data provided to SEB will be processed in data systems to the extent required to administer the Tender Offer. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in the data systems of companies with which SEB cooperates. Address details may be obtained by SEB through an automatic procedure executed by Euroclear. Additional information on processing of personal data by SEB, including details on how to exercise data subjects' rights, may be found at <https://sebgroup.com/site-assistance/privacy-policy>.