



Lund, Sweden – 4 November 2020

Alfa Laval Group
P.O. Box 73
221 00 Lund
Sweden
Visit: Rudeboksvägen 1
Tel: +46 46 36 65 00
Fax: +46 46 30 50 90
www.alfalaval.com

THIS STOCK EXCHANGE RELEASE MAY NOT BE RELEASED, PUBLISHED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, SOUTH AFRICA, OR ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW. FOR FURTHER INFORMATION, PLEASE SEE SECTION ENTITLED "IMPORTANT INFORMATION" BELOW.

Final result of Alfa Laval's recommended public tender offer for all shares in Neles; Alfa Laval will not complete the tender offer

Alfa Laval AB (publ), 4 November 2020 at 8:00 a.m. CET

As previously announced, Alfa Laval AB (publ) ("**Alfa Laval**" or the "**Offeror**") and Neles Corporation ("**Neles**") have on 13 July 2020 entered into a combination agreement pursuant to which Alfa Laval has made a voluntary recommended public cash tender offer for all issued and outstanding shares in Neles (the "**Tender Offer**"). The acceptance period under the Tender Offer commenced on 13 August 2020 at 9:30 a.m. (Finnish time) and expired on 30 October 2020 at 4:00 p.m. (Finnish time).

According to the final result of the Tender Offer, the shares validly tendered and not properly withdrawn in the Tender Offer represent, together with the total of 12,723,923 shares in Neles otherwise acquired by the Offeror prior to the date hereof, approximately 32.82 percent of all issued and outstanding shares and votes in Neles.

The completion of the Tender Offer is conditional on, among other conditions, the valid tender of shares representing, together with shares otherwise acquired by the Offeror, more than fifty percent (50%) of the issued and outstanding shares and votes in Neles. As the said condition has not been fulfilled, the Offeror has decided not to complete the Tender Offer.

Tom Erixon, President and CEO of Alfa Laval

"We regret that less than 50 % of the shareholders have decided to tender their shares. While the industrial logic and growth synergies between Neles and Alfa Laval represented a significant opportunity for both companies, we do not believe that Neles would be well served by having two large shareholders with conflicting strategic agendas for the long-term. For that reason, Alfa Laval has decided to withdraw the public tender offer. We now hope that Neles will find a different path to succeed in the global industrial flow control market."

The transfer restrictions registered over the relevant book-entry accounts with respect to shares that have been validly tendered in the Tender Offer will be removed as soon as possible and approximately by 9 November 2020.

Investor Relations contacts:

Johan Lundin
Head of Investor Relations
Alfa Laval
Mobile: +46730463090
johan.lundin@alfalaval.com

Media enquiries:

Johan Lundin
 Head of Investor Relations
 Alfa Laval
 Mobile: +46730463090
johan.lundin@alfalaval.com

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

THIS STOCK EXCHANGE RELEASE MAY NOT BE RELEASED, PUBLISHED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, SOUTH AFRICA, OR ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

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.

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW, AND THE TENDER OFFER DOCUMENT AND RELATED ACCEPTANCE FORMS WILL NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAWS OR REGULATIONS. IN PARTICULAR, THE TENDER OFFER IS NOT BEING MADE, DIRECTLY OR INDIRECTLY, BY ANY MEANS OR INSTRUMENTALITY (INCLUDING WITHOUT LIMITATION E-MAIL, POST, FACSIMILE TRANSMISSION, TELEX, TELEPHONE OR ELECTRONIC TRANSMISSION BY WAY OF THE INTERNET OR OTHERWISE), IN OR INTO, OR BY USE OF THE POSTAL SERVICE OF, OR THROUGH ANY FACILITIES OF A NATIONAL SECURITIES EXCHANGE OF, AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, OR SOUTH AFRICA. THE TENDER OFFER CANNOT BE ACCEPTED, DIRECTLY OR INDIRECTLY, BY ANY SUCH USE, MEANS OR INSTRUMENTALITY OR FROM WITHIN, AUSTRALIA, CANADA, HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, NEW ZEALAND, OR SOUTH AFRICA. ANY PURPOTED ACCEPTANCE OF THE TENDER OFFER RESULTING DIRECTLY OR INDIRECTLY FROM A VIOLATION OF THESE RESTRICTIONS WILL BE INVALID.

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.