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Statement by the Board of Directors concerning the proposed dividend according to Chapter 18, Section 4 of the Swedish Companies Act

In accordance with Chapter 18, Section 4 of the Swedish Companies Act, the Board of Directors hereby gives its reasoned statement as a basis for the Annual General Meeting's resolution on dividend.

The Board of Directors' opinion is that the Alfa Laval Group, during the period 2003 – 2021, has reported considerable stability with regard to profits from operating activities and generation of cash flows from such operation activities. The Group's financial position has continuously improved during the same period.

With regard to the prospects for the future of the business, reference is made to the CEO's statement in the Annual Report for 2021.

In order to consider the interests of various groups in relation to the company, the Board of Directors deems that the following key indicators constitute a relevant basis for evaluation of the proposal for dividend that has been presented to the Annual General Meeting.

- Debt ratio
- Interest coverage ratio
- Net Debt to EBITDA
- Debt profile (unutilized facilities and remaining duration of commitments)
- Unrestricted equity in the parent company

With regard to the above mentioned key indicators, the status of the Alfa Laval Group is presented below as per the end of 2021 and after payment of the proposed dividend, everything else the same.

	December 31, 2021	December 31, 2021, After dividend
Debt ratio, times	0,22	0,32
Interest coverage ratio, times	38,4	33,5
Net Debt to EBITDA, times	0,87	1,17
Debt profile – unutilized facilities, SEK million	7 168	4 676
Debt profile – remaining duration of commitments in years	April 2026 (4 years and 4 months)	
Unrestricted equity in the parent company, SEK million	8 707	6 215

It is the opinion of the Board of Directors that the Group's financial position is on par with other Swedish industrial companies with comparable activities, risk profile and size. The

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Board of Directors also deems that the Group's ability to meet its obligations in short and long term, including the need for capital expenditures, is not negatively affected by the proposed dividend.

To summarize, the Board of Directors deems that the proposed dividend is justified considering the demands that the nature, scope and risks of the business impose on the size of the shareholders' equity and considering the company's and the Group's consolidated requirements, liquidity and financial position in general.

Lund, March 2022

The Board of Directors of Alfa Laval AB (publ)