



To all shareholders of Neles Corporation
and Alfa Laval AB

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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

A message from the CEO: An exciting growth journey

Alfa Laval has a proud Nordic history of preserving and investing in the Nordic region, evidenced by its 5,400 strong work force in the region. We have a proven track record of entering adjacent markets through platform investments in quality companies and, after having built a significant industrial presence in Sweden, Denmark, and Norway, Neles' Finnish footprint would be completing Alfa Laval's Nordic platform.

With the vision of creating better everyday conditions for people, Alfa Laval has developed products since 1883. We are a leading global provider of specialized products and engineering solutions based on our key technologies of heat transfer, separation and fluid handling.

Following three years of our organic growth strategy, Alfa Laval reached a record level of revenues in 2019. We grew in all our main divisions Marine, Energy, and Food & Water. The number of new product introductions more than doubled compared to historical levels, we have developed our service business, and taken strides in digitalization. Alfa Laval is a strong, competitive and fiercely customer-oriented company.

The necessary platform to continue this journey is also in place, with a continued focus on growth. The demands of tomorrow create exciting new opportunities for Alfa Laval and our offer for Neles is part of this growth journey. Our businesses complement each other almost perfectly. We have knowledge and understanding of the technology and share many of the same markets, industries and even end customers. The transaction would enable us to jointly strengthen our presence in the large industrial flow control space where Alfa Laval currently offers mainly energy efficiency solutions.

We have followed Neles' history for a long time and respect the company and its skilled employees and leadership. We are enthusiastic about our possible future together. Alfa Laval has the resources to invest in and support the development of the company, while our global operations and service network offer a "plug and play" platform for Neles.

Alfa Laval's aim is to build a more sustainable society for a growing world population. While a large share of our business already relates to sustainability trends, big changes

are still to come. With that in mind, we have increased the pace of investments to support our long-term future. Alfa Laval is taking a leading position in developing the core heat transfer technology for thermal energy storage in partnership with several other companies, since the need for energy storage is growing beyond what today's battery technology can handle. Large-scale insect farming is expected to be another significant growth area. Again, Alfa Laval has entered a partnership to take a leading position in the key technologies needed to support customers in this area. Sustainability trends are also becoming increasingly evident in the marine industry and includes an expected increase in the use of LNG as a marine fuel – another area where Alfa Laval is fully equipped to meet our customers' needs.

Alfa Laval is a future-oriented company and we see great potential in embarking on a common journey with Neles. I am particularly excited about the opportunity for another successful partnership between a Finnish and Swedish company. Alfa Laval's industrial heritage and resources combined with Neles' market leading capabilities is a great formula for future growth.

Tom Erixon
President and CEO, Alfa Laval

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's worldwide organization works closely with customers in nearly 100 countries
- Alfa Laval has 42 major production units (22 in Europe, 10 in Asia, 8 in the US and 2 in Latin America)
- The company has about 17,500 employees, the majority of whom are located in Sweden, Denmark, India, China, the US and France.
- In 2019, annual sales were about SEK 46.5 billion (approx. EUR 4.4 billion)
- The company is listed on Nasdaq OMX and has its headquarters in Lund, Sweden

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