

**Statement by the Board of Directors of AB Electrolux pursuant to Chapter 18 Section 4 of the Swedish Companies Act regarding the proposal for distribution of Electrolux Professional AB (publ)**

The Board of Directors has proposed that the Extraordinary General Meeting resolves to distribute all the shares in the wholly-owned subsidiary Electrolux Professional AB (publ), reg.no. 556003-0354 (“**Electrolux Professional**”), including the underlying group.

The value of the distribution of the shares in Electrolux Professional is determined based on the book value at the time of the distribution of the shares to Electrolux shareholders by application of the relevant accounting rules. Electrolux estimates the book value at the time of the distribution to SEK 7,749,120 thousand, which hence is the total value that is proposed to be distributed to the shareholders.

As of December 31, 2018 Electrolux non-restricted equity amounted to SEK 22,078,885 thousand. On April 10, 2019 the Annual General Meeting resolved on a dividend of SEK 8.50 per share, totalling SEK 2,442,878 thousand, which reduced the non-restricted equity by the same amount. Accordingly, the amount available for distribution under Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act, is SEK 19,636,007 thousand.

If financial instruments currently valued at fair value in accordance with Chapter 4 Section 14a of the Swedish Annual Accounts Act instead had been valued according to the lower of cost or net realizable value, including cumulative revaluation of external shares, the equity of the company would decrease by SEK 121,395 thousand, according to the most recently adopted balance sheet.

The income statement and balance sheet for the financial year 2018 were adopted by the Annual General Meeting on April 10, 2019. No decisions have been made regarding value transfers, nor have any changes occurred to Electrolux restricted equity, after Electrolux Annual General Meeting on April 10, 2019. After the Extraordinary General Meeting’s resolution on distribution of the shares in Electrolux Professional in accordance with the Board of Directors’ proposal, the remaining amount that is available in accordance with Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act, is expected to be approximately SEK 11,886,887 thousand.

The Board of Directors finds that there will be full coverage for the restricted equity of the company in accordance with Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act, after distribution of the proposed dividend. It is the Board of Directors’ assessment that after distribution of the proposed dividend, the equity of the company and the group will be sufficient with respect to the kind, extent, and risks of the operations. In making this assessment, the Board of Directors has considered, among other things, the effect of the division of the group into two companies where assets and liabilities are divided, the company’s and the group’s historical development, the budgeted development and the state of the market.

After the proposed distribution, the financial strength of the company and the group is assessed to continue to be good in relation to the industry in which the group is operating. The execution of the proposal will not affect the ability of the company and the group to comply with its payment obligations in the short or in the long term. The Board of Directors finds that the company and the group are well prepared to handle any changes in respect of liquidity, as well as unexpected events.

The Board of Directors is of the opinion that the company and the group have the ability to take future business risks and also cope with potential losses. Execution of the proposal will not negatively affect the company’s and the group’s ability to make further commercially motivated investments in accordance with the strategy of the Board of Directors. In addition to what has been stated above, the Board of Directors has considered other known circumstances which may be of importance for the company’s and the group’s financial position. In doing so, no circumstance has appeared to the company that does not justify the proposal.

Reflecting this, the Board of Directors considers the proposed dividend distribution of all the

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shares in Electrolux Professional to be compatible with the rules of reason expressed in Chapter 17, Section 3, Paragraphs 2-3 of the Swedish Companies Act.

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Stockholm in January 2020  
AB Electrolux (publ)  
THE BOARD OF DIRECTORS