

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Aktiebolaget Electrolux		2 Issuer's employer identification number (EIN) N/A	
3 Name of contact for additional information Sophie Arnius (Head of IR)	4 Telephone No. of contact +46 8 738 6000	5 Email address of contact sophie.arnius@electrolux.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact S:t Göransgatan 143		7 City, town, or post office, state, and ZIP code of contact SE-105 45 Stockholm	
8 Date of action March 23rd, 2020	9 Classification and description Distribution of the shares in Electrolux Professional AB		
10 CUSIP number	11 Serial number(s) SE0000103806/SE0000103814	12 Ticker symbol ELUX A and ELUX B	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See attachment.**

- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See attachment.**

- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See attachment.**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See attachment.

18 Can any resulting loss be recognized? ► See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► [See attachment.](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign
Here**

Signature ► Bruno Bel

Date ► APRIL 21st, 2020

Print your name ► **Hanna Andersson**

Title► **Head of Global Tax & Accounting**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN	
------	--

Firm's name ▶

Firm's EIN ►

Firm's address ►

Phone no.

FORM 8937 - ATTACHMENT

Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On February 21st 2020, the shareholders of AB Electrolux ("Electrolux") approved the proposal for a pro rata distribution of 100% of the outstanding shares of Electrolux Professional AB ("Professional") in which each holder of one (1) series A share of Electrolux at the close of business on March 19th 2020 (the "Record Date") will receive one (1) series A share of Professional on March 23rd 2020 (the "Distribution Date"), and each holder of one (1) series B share of Electrolux at the close of business on the Record Date will receive one (1) series B share of Professional on the Distribution Date. On the Distribution Date, Electrolux completed the spinoff of Professional (the "Distribution"). No fractional shares of Professional were issued in the Distribution.

Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as percentage of old basis.

A holder's basis in each series A and series B Electrolux share held prior to the Distribution should be allocated between that Electrolux share and the share in Professional received in respect thereof in proportion to their relative fair market values.

Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated based on the respective fair market values of the resulting Electrolux and Professional shares received. However, the tax law does not prescribe how to determine fair market value and you should consult your tax advisor to determine what measure of fair market value is appropriate. Absent specific guidance, the following method may be used as an illustrative example:

- On the last day of trading with the right to receive shares in Professional (March 17th, 2020), the lowest price paid for Electrolux Series A shares was SEK 173. On the first day of trading without the right to receive shares in Professional (March 18th) the lowest price paid for Electrolux Series A shares was SEK 125. Consequently, the value in Electrolux shares fell by 27.75% $((173 - 125)/173)$. Using a one for one ratio; 72.25% of the tax basis in Series A shares would be allocated to Electrolux and 27.75% would be allocated to Professional.

Based on the method above, a shareholder with an aggregate basis of Electrolux Series A shares amounting to USD 10 would allocate ~ USD 7.2 to Electrolux and ~ USD 2.8 to Professional.

- On the last day of trading with the right to receive shares in Professional (March 17th, 2020), the lowest price paid for Electrolux Series B shares was SEK 120. On the first day of trading without the right to receive shares in Professional (March 18th) the lowest price paid for Electrolux Series B shares was SEK 104.15. Consequently, the value in Electrolux shares fell by 13.21% $((120 - 104.15)/120)$. Using a one for one ratio; 86.79% of the tax basis in Series B shares would be allocated to Electrolux and 13.21% would be allocated to Professional.

Based on the method above, a shareholder with an aggregate basis of Electrolux Series B shares amounting to USD 10 would allocate ~ USD 8.7 to Electrolux and ~ USD 1.3 to Professional.

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 358(a), 358(b), and 358(c).

Line 18. Can any resulting loss be recognized?

No.

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Distribution occurred on March 23rd, 2020. As a result, the basis adjustments in the shares of the Electrolux and the shares of Professional should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2020.

Note to shareholders: Electrolux intends for the Distribution to qualify under section 355 of the Internal Revenue Code. The information above assumes that this characterization is respected. The foregoing discussion is not a complete analysis or discussion of all the potential tax consequences of the Distribution. Please consult your own tax advisors as to the specific tax consequences to you of the Distribution, including tax return reporting requirements and the applicability and effect of U.S. federal, state, local and foreign income and other tax laws in light of your particular circumstances.
