

The Board of Directors' reasoned statement pursuant to Chapter 20, Section 8 of the Swedish Companies Act

In view of the Board of Directors' proposal for resolution regarding an automatic share redemption procedure including a) share split 2:1, b) reduction of the share capital through redemption of shares and c) increase of the share capital through a bonus issue, the Board of Directors hereby issues the following reasoned statement pursuant Chapter 20, Section 8 of the Swedish Companies Act.

The Board of Directors proposes that the company's share capital shall be reduced by SEK 772,300,770 by means of redemption of 308,920,308 shares, for repayment to the shareholders and, to the extent that the reduction of the share capital is implemented by way of redemption of shares held by the company, for transfer to non-restricted equity. For each redeemed share (irrespective of the series of shares) a redemption amount of SEK 17.00 will be paid (of which SEK 2.50 consist of a reduction of share capital and SEK 14.50 of non-restricted equity). However, no payment is to be made in respect of redeemed shares held by the company. The total distribution is estimated to approximately SEK 4,886 million. The aggregate redemption amount will, however, depend on the number of shares held by the company on the record date for redemption, hence the amount to be distributed may be lower as no payment is to be made in respect of redeemed shares held by the company.

As of December 31, 2020, AB Electrolux's equity amounted to SEK 25,177 million, of which SEK 19,453 million consisted of non-restricted equity. 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 17,081 thousand. The group's total equity amounted to 18,709 million as of December 31, 2020. In accordance with IFRS, there is no division between restricted and non-restricted equity in the group.

The 2021 Annual General Meeting resolved on a dividend of approximately SEK 2,299 million (of which half has been distributed to the shareholders). After the proposed cash distribution through the redemption procedure, and with regard to the dividend resolved by the 2021 Annual General Meeting, the non-restricted equity in the parent company is estimated to amount to SEK 13,040 million and the group's equity to amount to SEK 11,524 million (SEK 12,268 million and SEK 11,524 million, respectively, after the proposed bonus issue).

After implementation of the Board's proposal regarding the share redemption procedure there will be full coverage for the restricted equity of the company.

The Board of Directors considers the planned share redemption procedure to be justified considering the requirements that the scope and nature of the business and the risks involved impose on the company's and the group's equity and the company's and the group's consolidation level, liquidity and financial position. The financial position remains strong even after the implementation of the share redemption procedure, and is deemed to be fully sufficient for the company to be able to comply with its obligations in both short and long term and have the opportunity to make any necessary investments.

Stockholm in July 2021
AB Electrolux
The Board of Directors