

SUPPLEMENT DOCUMENT TO ALFA LAVAL AB (PUBL)’S TENDER OFFER DOCUMENT DATED 12 AUGUST 2020 RELATING TO THE VOLUNTARY PUBLIC CASH TENDER OFFER FOR ALL ISSUED AND OUTSTANDING SHARES IN NELES CORPORATION

21 October 2020

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Alfa Laval AB (publ) (the “**Offeror**” or “**Alfa Laval**”) and Neles Corporation (“**Neles**”) have on 13 July 2020 entered into a combination agreement pursuant to which Alfa Laval has made a voluntary recommended public cash tender offer for all issued and outstanding shares in Neles (the “**Tender Offer**”). The Offeror has published a tender offer document, dated 12 August 2020, concerning the Tender Offer (the “**Tender Offer Document**”).

The Offeror supplements the Tender Offer Document in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Market Act (746/2012, as amended) with the following information included in this document (the “**Supplement Document**”):

The Board of Directors of Neles has on 19 October 2020 supplemented its statement on the Tender Offer issued on 12 August 2020 in accordance with Chapter 11, Section 15, Subsection 3 of the Securities Market Act due to the amendment of the minimum acceptance condition of the Tender Offer announced by the Offeror on 15 October 2020 (the “**Supplement Statement**”). According to the Supplement Statement, the members of the Board of Directors of Neles who participated in the decision-making continue to unanimously recommend that the shareholders accept the Tender Offer. The Offeror supplements Section 1.6 of the Tender Offer Document with the Supplement Statement, which is added as Appendix H to the Tender Offer Document.

The Tender Offer Document and the Supplement Document will be available in Finnish and in English from 21 October 2020 onwards at the headquarters of Alfa Laval, Rudeboksvägen 1, SE-226 55 Lund, Sweden, at the offices of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Eteläesplanadi 18, FI-00130 Helsinki, Finland and at Nasdaq Helsinki, Fabianinkatu 14, FI-00100 Helsinki, Finland. The electronic versions of the Tender Offer Document and the Supplement Document will be available in Finnish and in English from 21 October 2020 onwards online at <https://www.alfalaval.com/investors> and <https://sebgroupp.com/large-corporates-and-institutions/prospectuses-and-downloads/prospectuses>, as well as in Finnish from 21 October 2020 onwards online at www.neles.com/ostotarjous-alfalaval and in English from 21 October 2020 onwards online at www.neles.com/offer-alfalaval.

The Finnish Financial Supervisory Authority (the “**FFSA**”) has approved the Finnish language version of this Supplement Document but the FFSA assumes no responsibility for the accuracy of the information presented therein. The decision number of such approval by the FFSA is FIVA 19/02.05.05/2020. The Supplement Document is also available as an English translation. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

Information for Shareholders in the United States

Shareholders in the United States are advised that the shares in Neles are not listed on a U.S. securities exchange and that Neles is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The tender offer is made for the issued and outstanding shares in Neles, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The tender offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to exemptions provided by Rule 14d-1(d) under the Exchange Act for a “Tier II” tender offer, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the tender offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in the Tender Offer Document and this Supplement Document has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The tender offer is made to Neles’ shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Neles to whom an offer is made. Any information documents, including the Tender Offer Document and this Supplement Document,

are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Neles' other shareholders.

To the extent permissible under applicable law or regulations, Alfa Laval and its affiliates or its brokers and its brokers' affiliates (acting as agents for Alfa Laval or its affiliates, as applicable) may from time to time and during the pendency of the tender offer, and other than pursuant to the tender offer and combination, directly or indirectly, purchase or arrange to purchase, the shares in Neles or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Neles of such information. In addition, the financial advisers to Alfa Laval may also engage in ordinary course trading activities in securities of Neles, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the tender offer, passed upon the merits or fairness of the tender offer, or passed any comment upon the adequacy, accuracy or completeness of the Tender Offer Document or this Supplement Document. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the tender offer by a U.S. holder of shares in Neles may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares in Neles is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the tender offer.

It may be difficult for Neles' shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since Alfa Laval and Neles are located in non-U.S. jurisdictions, and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Neles' shareholders may not be able to sue Alfa Laval or Neles or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel Alfa Laval and Neles and their respective affiliates to subject themselves to a U.S. court's judgment.

Information for Shareholders in the United Kingdom

THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING MADE AND HAVE NOT BEEN APPROVED BY AN AUTHORISED PERSON FOR THE PURPOSES OF SECTION 21 OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA"). ACCORDINGLY, THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER ARE NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. THE COMMUNICATION OF THE TENDER OFFER DOCUMENT, THIS SUPPLEMENT DOCUMENT AND ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE TENDER OFFER IS EXEMPT FROM THE RESTRICTION ON FINANCIAL PROMOTIONS UNDER SECTION 21 OF THE FSMA ON THE BASIS THAT IT IS A COMMUNICATION BY OR ON BEHALF OF A BODY CORPORATE WHICH RELATES TO A TRANSACTION TO ACQUIRE DAY TO DAY CONTROL OF THE AFFAIRS OF A BODY CORPORATE; OR TO ACQUIRE 50 PER CENT. OR MORE OF THE VOTING SHARES IN A BODY CORPORATE, WITHIN ARTICLE 62 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005.

Forward-looking Statements

This Supplement Document contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this Supplement Document.

**APPENDIX H – THE SUPPLEMENT STATEMENT ISSUED BY THE BOARD OF DIRECTORS OF NELES ON
19 OCTOBER 2020**



Neles Oyj
Tender offer

The Board of Directors of Neles Corporation supplements its statement regarding the recommended voluntary public cash tender offer by Alfa Laval AB (publ)

Neles Corporation Stock Exchange Release 19 October 2020 at 8:15 p.m.

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The Board of Directors of Neles Corporation supplements its statement regarding the recommended voluntary public cash tender offer by Alfa Laval AB (publ)

On 13 July 2020, Alfa Laval AB (publ) ("**Alfa Laval**" or the "**Offeror**") announced that it will make a voluntary recommended public cash tender offer to acquire all of the issued and outstanding shares in Neles Corporation ("**Neles**" or the "**Company**") that are not held by Neles or any of its subsidiaries (the "**Shares**") (the "**Tender Offer**"). Alfa Laval has published a tender offer document, dated 12 August 2020, concerning the Tender Offer, and supplemented it on 1 October 2020 and 16 October 2020 (together with the supplements, the "**Tender Offer Document**"). The offer price in the Tender Offer is EUR 11.50 in cash for each Share in Neles validly tendered into the Tender Offer (the "**Offer Price**").

The Board of Directors of Neles (the "**Board of Directors**") has on 12 August 2020 issued a statement (the "**Statement**") concerning the Tender Offer in accordance with Chapter 11, Section 13 of the Finnish Securities Market Act (746/2012, as amended). The Statement has also been included in the Tender Offer Document.

Background

The Offeror has on 15 October 2020 announced its decision to amend the minimum acceptance condition of the Tender Offer such that the completion of the Tender Offer is conditional on, among other conditions, the valid tender of Shares representing, together with any other Shares otherwise acquired by the Offeror prior to or during the Offer Period, more than fifty percent (50%) (prior to the amendment: more than two thirds (2/3)) of the issued and outstanding Shares and voting rights in Neles (the "**50 % Offer Condition**").

Due to the amendment of the terms and conditions of the Tender Offer, the Board of Directors of Neles shall, pursuant to Chapter 11 Section 15 of the Finnish Securities Market Act, supplement its Statement after the amended terms and conditions have been delivered to the Board of Directors.

Supplement to the Statement

The Board of Directors refers to its previous Statement and the members of the Board of Directors who participated in the decision-making continue to unanimously recommend that the shareholders accept the Tender Offer. The Board of Directors advises that the shareholders of Neles take into account the following aspects:

- **Offer consideration.**
 - The Board of Directors repeats its assessment presented in the Statement issued on 12 August 2020 according to which the Board of Directors is confident in Neles' standalone strategy and prospects, which have been laid out by the management of the Company during its capital markets day on 27 May 2020. However, considering the potential execution risks related to the realization of Neles' strategy and other possible strategic alternatives, the Board of Directors has concluded that the Offer Price is reflective of the value of the Company in the medium to long term.
- **Valmet's ownership in Neles and opposition to the Tender Offer.**
 - Valmet Corporation ("**Valmet**") announced on 29 September 2020 that it has gradually increased its ownership in Neles to 29.5%. The Board of Directors notes that decreasing the acceptance threshold of the Tender Offer to 50% provides shareholders with an opportunity to consider the impact of this amendment to their individual circumstances and increases the execution certainty of the Tender Offer for the shareholders wishing to tender their Shares into the Tender Offer, also considering Valmet's stake in Neles and Valmet's stated opposition to the Tender Offer announced in its press release of 13 July 2020 and its stock exchange release of 12 October 2020.
- **Impact of the 50% Offer Condition.**
 - If the Tender Offer is completed in accordance with its terms, without waiving the 50 % Offer Condition, Alfa Laval will hold the majority of the Shares in Neles and thereby become a controlling shareholder that is able to significantly influence Neles' course of business, including, but not limited to, strategy, business plan and future M&A opportunities. As a result, Neles' abilities to operate as a fully independent listed company will be limited. Alfa Laval may in practice, depending on the number of Shares represented and votes cast at a General Meeting, have the same influence even if it would waive the 50 % Offer Condition and complete the Tender Offer at a lower acceptance level. Assuming that Valmet continues as a significant shareholder of Neles following the completion of the Tender Offer, there is also no assurance that the two largest shareholders of Neles would share a joint strategic view of Neles' development despite their complementary product and services offerings from Neles' perspective. Disagreements between the two largest shareholders concerning the strategic direction of Neles could be detrimental to the development of Neles and its shareholders. The concentration of ownership with Alfa Laval and Valmet may also result in decreased liquidity and value of the Shares and make it more difficult for shareholders to dispose of the Shares in a timely manner or at a favorable price.
- **Minority shareholders.**
 - Shareholders who do not accept the Tender Offer will remain as minority shareholders in Neles. There can be no assurance whether the course of business, as influenced by Alfa Laval, would be as beneficial, more beneficial or less beneficial to the shareholders of Neles than the current course of business, whereas to shareholders, who choose to accept the Tender Offer, there is no uncertainty relating to receiving the Offer Price other than the fulfilment or waiver, as applicable, of the conditions for completion of the Tender Offer.
- **No direct qualified majority for Alfa Laval at General Meetings of Neles.**
 - While at an ownership level below two thirds (2/3), taking also into account Valmet's current holding in Neles, Alfa Laval would likely not be in a position to alone make qualified majority resolutions at the General Meetings of shareholders that would require the support of at least two thirds (2/3) of the Shares represented and votes cast (such as e.g. a directed share issue, an issue of convertible instruments, option rights or other special rights entitling the holder to shares, amendments to Neles' Articles of Association, or resolutions upon a merger or demerger of Neles), at an ownership level exceeding 50% it would nevertheless have the right to elect the Board of Directors and pass resolutions requiring a simple majority (such as a decision on dividend distribution (however, not prevent a minority dividend under the Finnish Companies Act from being paid)). As noted above, Alfa Laval may in practice

have the decision power attributable to 50% ownership even at a lower ownership level, depending on the number of Shares represented and votes cast at a General Meeting.

- **Valmet's proposal to discuss a potential merger.**

- After the announcement of the Tender Offer on 13 July 2020, the issuance of the Statement on 12 August 2020 and the commencement of the Tender Offer, Neles' shareholder Valmet has gradually increased its ownership in Neles to 29.5% and, as announced earlier, approached the Board of Directors on 29 September 2020 with a public and unsolicited proposal to start discussions on a potential statutory merger between Neles and Valmet (the "**Valmet Proposal**"). As announced on 12 October 2020, the Board of Directors has in line with its fiduciary duties carefully assessed the Valmet Proposal and has urgently sought clarifying information on the Valmet Proposal. The Board of Directors has sought the clarifying information both in writing and through discussions. However, despite its efforts, as the Board of Directors has not received crucial requisite information such as an indicative proposal from Valmet for an exchange ratio for the merger, the Board concluded that the Valmet Proposal, as proposed, considering also the various uncertainties relating to the feasibility and content of the Valmet Proposal, cannot be deemed to be in the best interest of the shareholders when compared with the currently ongoing Tender Offer. The Board of Directors can have no assurance that Valmet will make a more concrete proposal at any stage, nor that such proposal would be better from the shareholders' perspective than the Tender Offer by Alfa Laval.

- **Board's supplemental evaluation of Valmet's shareholding.**

- The Board of Directors refers to the factors considered in its original Statement concerning the shareholding of Valmet, and supplements its evaluation thereof with the following factors:
 - After receipt of the unsolicited Valmet Proposal, the Board of Directors has sought various clarifications from Valmet but, in the absence of any indicative exchange ratio proposed by Valmet and considering other various uncertainties regarding the feasibility of the Valmet Proposal, has concluded that i) the Valmet Proposal lacks as such concreteness that would enable the Board to determine that it could be in the best interest of the shareholders when compared to the Tender Offer, and ii) Valmet have been unwilling to put forward a concrete competing proposal for consideration of the Neles Board of Directors at this point in time.
 - The current ownership of Valmet is close to the mandatory tender offer threshold under Finnish law. Should Valmet increase its holding to more than 30% of the voting rights, it shall have an obligation to make a mandatory tender offer for all the issued and outstanding Shares in Neles. However, if there is another shareholder, whose holding of voting rights exceeds the holding of Valmet, the mandatory tender offer obligation is not triggered until the share of votes held by Valmet crosses the share of votes held by the other shareholder.
 - Should Alfa Laval complete its Tender Offer without waiving the 50 % Offer Condition, and should Valmet not dispose of its holdings in Neles, the Company will have two major owners with potentially differing strategic views of Neles' development, which could be detrimental to the development of Neles and its shareholders. The concentration of ownership with Alfa Laval and Valmet may also result in decreased liquidity and value of the Shares and make it more difficult for shareholders to dispose of the Shares in a timely manner or at a favorable price.
 - The current shareholding of Valmet enables it to exercise strong influence in Neles. Holding of one third (1/3) of Shares and voting rights in a company enables blocking General Meeting decisions requiring a qualified majority, such as e.g. decisions regarding a directed share issue, an issue of convertible instruments, option rights or other special rights entitling the holder to shares, amendments to Neles' articles of Association, or resolutions upon a merger or demerger of the Company. While Valmet's holding does not amount to this level, it may be *de facto* able to reach the same power at a General Meeting depending on the number of Shares represented and votes cast at the Meeting.

- **Potential subsequent corporate transactions.**

- In the supplement to the Tender Offer Document dated 16 October 2020 Alfa Laval has stated that should Alfa Laval obtain less than 90% but more than 50% of the Shares and voting rights attaching to the Shares in Neles, it would assess alternatives to acquire the remaining Shares in Neles over time, and it is possible that Neles could become subject to certain corporate transactions, including for example purchases of further Shares in Neles after completion of the Tender Offer, or a statutory cross-border merger with and into Alfa Laval. As at the date of its supplement to the Tender Offer Document, 16 October 2020, Alfa Laval has not taken any decisions on the timeline of any such possible transactions or whether any such transactions would be undertaken at all. At an ownership below two thirds (2/3) of the Shares and voting rights, Alfa Laval would not under law be in a position to alone resolve upon a statutory cross-border merger of Neles into Alfa Laval, the likelihood for Neles to become subject to such a transaction following the completion of the Tender Offer is decreased, especially taking into account Valmet's current holding in Neles.
- **Waiver of the 50% Tender Condition.**
 - Alfa Laval may also waive the 50 % Offer Condition and complete the Tender Offer with a lower acceptance level. The completion of the Tender Offer at 50% or even at a lower acceptance level would likely result in the ownership of Shares being concentrated to Alfa Laval (in addition to Valmet, assuming that Valmet does not dispose of its Shares), the consequence of which would be a reduction in the number of Neles' shareholders and the number of Shares held by other shareholders available to be freely traded on Nasdaq Helsinki. Consequently, there may be fewer potential buyers for the Shares. This may have an adverse effect on the liquidity and value of the Shares and may make it more difficult to dispose of Shares in a timely manner or at a favorable price, considering also that the likelihood for Neles being subject to merger into Alfa Laval is decreased. The scope of these potential adverse effects is dependent on, among others, the number of Shares validly tendered in the Tender Offer.
- **Redemption of minority shares.**
 - The lower the acceptance level at which Alfa Laval completes the Tender Offer, the more difficult it will be for Alfa Laval to eventually reach a holding of over 90% of the Shares and voting rights required to be able redeem minority Shares and consequently delist the Company. Correspondingly, minority shareholders who have not accepted the Tender Offer would not have a right to demand that their Shares be redeemed at fair value through redemption proceedings should Alfa Laval not at any point in time reach a holding of over 90% of the Shares and voting rights.

Shareholders who intend to accept the Tender Offer

In addition to the considerations presented in the Statement issued on 12 August 2020, and taking in particular into account the 50 % Offer Condition, shareholders who intend to accept the Tender Offer should note especially the following aspects:

- Shareholders who accept the Tender Offer will receive the Offer Price of EUR 11.50 per share if the Offer is completed.
- Shareholders who accept the Tender Offer will not benefit from potential favorable Share price development after the completion of the Tender Offer or positive developments in Neles' business operations.
- Conversely, shareholders who accept the Tender Offer will also not bear the risk of possible negative Share price development or negative developments in Neles' business operations after the completion of the Tender Offer. The Board of Directors notes that the Shares have since the announcement of the Tender Offer also traded at levels that are higher than the Offer Price. Considering the recent Share price of Neles, shareholders may have received or might even in the future receive a higher price than the Offer Price by selling their Shares on the stock exchange.

Shareholders who do not intend to accept the Tender Offer

In addition to the considerations presented in the Statement issued on 12 August 2020, and taking in particular into account the 50 % Offer Condition, shareholders who intend not to accept the Tender Offer should note especially the following aspects:

- Shareholders who do not accept the Tender Offer will not receive the Offer Price of EUR 11.50 for each Share upon the completion of the Tender Offer.
- A shareholder that has not accepted the Tender Offer wishing to dispose of the Shares held by it would have to sell its Shares on the open market or negotiate an alternative transaction concerning its Shares. The price received for the Shares in such a transaction may be higher or lower than the Offer Price of EUR 11.50 offered in the Tender Offer.
- As noted above, the completion of the Tender Offer would result in the ownership of Shares being concentrated to Alfa Laval (in addition to Valmet, assuming that Valmet does not dispose of its Shares), the consequence of which would be a reduction in the number of Neles' shareholders and the number of Shares held by other shareholders available to be freely traded on Nasdaq Helsinki.
- Shareholders who do not accept the Tender Offer will have opportunities but also risks related to the future development of market price of the Shares as well as Neles' business operations. There can be no assurance of whether the market price of the Shares would appreciate, depreciate or remain at its current level after the Tender Offer.
- If Alfa Laval, as a consequence of the completion of the Tender Offer or otherwise, obtains in its possession two thirds (2/3) or more of the Shares represented and votes cast at a General Meeting of Neles, it would pursuant to the Finnish Companies Act be able to make major decisions concerning Neles independently and without cooperation with other shareholders. Such major decisions include, among others, decisions on directed issuances of shares, repurchases of shares, amendments to Neles' Articles of Association, mergers, demergers, and a voluntary liquidation of Neles. In practice Alfa Laval could achieve this influence already through holding even less than two thirds (2/3) of the Shares and voting rights in Neles, depending on the level of participation and the number of Shares and votes represented at a General Meeting. In addition, should Alfa Laval hold at least two thirds (2/3) of all Shares in Neles after the completion of the Tender Offer, this would also be likely to result in reduced liquidity for the Neles Shares, making it more difficult for remaining shareholders to sell their Shares.

Conclusion

Based on the considerations presented in the Statement issued by the Board of Directors on 12 August 2020 and the factors presented above as part of this supplement, taking in particular into account the 50 % Offer Condition, the members of the Board of Directors who participated in the decision-making continue to unanimously recommend that the shareholders accept the Tender Offer.

Board members who did not participate in the decision-making

Five out of seven members of the Board of Directors have participated in the decision-making concerning this supplement to the Statement. Board members Niko Pakalén and Petter Söderström did not participate in the decision. Niko Pakalén has considered himself to be dependent of a major shareholder, Cevian Capital, which has given an undertaking, subject to certain customary conditions, to accept the Tender Offer. Petter Söderström has considered himself dependent of Solidium Oy, which is the largest shareholder of Valmet. For these reasons, they have each made a decision not to participate in the decision-making concerning this supplement to the Statement.

Other matters

The Offeror and Neles have undertaken to comply with the Helsinki Takeover Code issued by the Securities Market Association referred to in Chapter 11, Section 28, of the Finnish Securities Markets Act.

This supplement does not constitute investment or tax advice, and the Board of Directors specifically does not evaluate herein the general price development or the risks relating to the Shares in general. The shareholders of Neles must independently decide whether to accept the Tender Offer, and they should take into account all relevant information available to them, including information presented in the Tender Offer Document and this supplement as well as any other factors affecting the value of the Shares.

Neles is advised by Morgan Stanley & Co. International plc as financial advisor and by Roschier, Attorneys Ltd. as legal advisor.

Vantaa, 19 October 2020

NELES CORPORATION

Board of Directors

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Neles is one of the leading providers of mission-critical flow control solutions and services for process industries. With our global team of experts and innovative solutions, we help our customers to improve their process performance and ensure safe flow of materials. Neles is listed on the Nasdaq Helsinki in Finland and had sales of about EUR 660 million in 2019. Neles employs about 2,900 people in around 40 countries. Neles was created in the partial demerger of Metso Corporation, and trading in Neles stock started on July 1, 2020.

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Information for shareholders in the United States

Shareholders in the United States are advised that the shares in Neles are not listed on a U.S. securities exchange and that Neles is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the "SEC") thereunder.

The Tender Offer will be made for the issued and outstanding shares in Neles, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, subject to exemptions provided by Rule 14d-1(d) under the Exchange Act for a "Tier II" tender offer, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in this stock exchange release has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Neles' shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Neles to whom an offer is made. Any information documents, including this stock exchange release, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Neles' other shareholders.

To the extent permissible under applicable law or regulations, Alfa Laval and its affiliates or its brokers and its brokers' affiliates (acting as agents for Alfa Laval or its affiliates, as applicable) may from time to time and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer and combination, directly or indirectly, purchase or arrange to purchase, the shares in Neles or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Neles of such information. In addition, the financial advisers to Alfa Laval may also engage in ordinary course trading activities in securities of Neles, which may include purchases or

arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this stock exchange release. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of shares in Neles may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of shares in Neles is urged to consult its independent professional adviser immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for Neles' shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since Alfa Laval and Neles are located in non-U.S. jurisdictions, and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Neles' shareholders may not be able to sue Alfa Laval or Neles or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel Alfa Laval and Neles and their respective affiliates to subject themselves to a U.S. court's judgment.

Forward-looking statements

This stock exchange release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this stock exchange release.

Disclaimer

Skandinaviska Enskilda Banken AB (publ), which is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen), is acting as lead financial adviser to Alfa Laval and no one else in connection with the Tender Offer and arranger in relation to the Tender Offer, will not regard any other person than Alfa Laval as its client in relation to the Tender Offer and will not be responsible to anyone other than Alfa Laval for providing the protection afforded to clients of Skandinaviska Enskilda Banken AB (publ) nor for providing advice in relation to the Tender Offer.