This English translation of the board of directors' proposal and statement is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish original and the English translation, the Swedish original shall prevail.

PROPOSAL BY THE BOARD OF DIRECTORS FOR DIVIDEND DISTRIBUTION AND STATEMENT PURSUANT TO CHAPTER 18, SECTION 4 OF THE SWEDISH COMPANIES ACT

Proposed resolution

The board of directors proposes that the extraordinary general meeting resolves on a dividend distribution to the shareholders of the company of SEK 13.50 per share, corresponding to a total dividend amount of SEK 5,073,427,818.

The board of directors further proposes that the record date for the dividend distribution shall be Tuesday, 15 September 2026. If the extraordinary general meeting resolves in accordance with the proposal, the dividend distribution is expected to be distributed through Euroclear Sweden AB on Friday, 18 September 2026.

Following the proposed dividend distribution under this item, SEK 31,027,486 will remain of the amount available for distribution pursuant to Chapter 17, Section 3, first paragraph of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*). The board of directors therefore considers that the proposed dividend distribution is covered by the distributable funds available to the company.

Statement by the board of directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act

The company's financial position as of 31 December 2025 is presented in the annual report for the financial year 2025. The annual report also specifies the accounting principles applied in respect of the valuation of assets, provisions and liabilities. The company's unrestricted equity amounted to SEK 5,104,455,304 as of 31 December 2025. In a press release dated June 10 2026, the Company further announced the divestment of the majority of its Flow Technology segment for SEK 6.5 billion on a cash- and debt-free basis. The proposed dividend distribution of SEK 13.50 per share, corresponding to a total distribution of SEK 5,073,427,818, represents 97 per cent (rounded up) of the company's equity. At the same date, the company's equity/assets ratio amounted to 68 per cent (rounded up). Following the extraordinary general meeting's resolution on the dividend distribution, the company's equity/assets ratio will amount to 4 per cent (rounded up).

The board of directors notes that, following the proposed dividend distribution, there will remain full cover for the company's restricted equity in accordance with Chapter 17, Section 3, first paragraph of the Swedish Companies Act. The dividend distribution appears justifiable taking into account the requirements imposed on the size of the company's equity by the nature, scope and risks associated with the operations. In this respect, the board of directors has taken into consideration the current economic climate, historical performance and future projections for the company and the group, as well as for the market.

The board of directors has reviewed the company's financial position and concludes, following careful consideration, that the proposed dividend distribution is justifiable having regard to the prudence rule set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act.

Following the dividend distribution, the company will continue to have a sufficient equity/assets ratio which, in the opinion of the board of directors, meets the requirements currently applicable to the industry in which the company and the group operate. Following the dividend distribution, the company is considered to have sufficient liquidity and a consolidation requirement that is deemed adequately satisfied.

In the opinion of the board of directors, the proposed dividend distribution will not affect the ability of the company or the group to fulfil their obligations in the short or long term. Nor is the proposed dividend distribution expected to affect the company's ability to make any necessary investments.

Based on an overall assessment of the company's financial position, the board of directors considers that there are no impediments to carrying out the proposed dividend distribution to the shareholder.

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Stockholm in August 2026
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The Board of Directors