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Electrolux Group announces terms for the fully underwritten rights issue of SEK 9,062 million

On April 23, 2026, the Board of Directors of AB Electrolux (“Electrolux Group” or the “Group”) resolved, subject to approval by the Extraordinary General Meeting (the “EGM”) to be held on May 27, 2026, on a rights issue of Class A and Class B shares of approximately SEK 9 billion before transaction costs (the “Rights Issue”). The Rights Issue, supported by AB Electrolux largest shareholder, Investor AB, is intended to finance and accelerate Electrolux Group’s profitable growth initiatives and expedite the achievement of its financial targets, as well as strengthen the Group’s balance sheet. Today, Electrolux Group announces the terms for the Rights Issue.

The Rights Issue terms in brief

- Each existing share in AB Electrolux held on the record date entitles to two (2) subscription rights. One (1) subscription right entitles to subscription for one (1) new share, whereby subscription rights of Class A entitle to subscription of shares of Class A and subscription rights of Class B entitle to subscription of shares of Class B.
- The subscription price has been set to SEK 16.75 per Class A and Class B share, respectively.
- Following completion of the Rights Issue, Electrolux Group will raise gross proceeds of approximately SEK 9,062 million through the Rights Issue, before deduction of transaction costs.
- The record date for participation in the Rights Issue is May 29, 2026.
- The subscription period in the Rights Issue will last from and including June 2, 2026 to June 16, 2026.
- Investor AB, holding 17.94 percent of the shares and 30.43 percent of the votes in AB Electrolux (18.78 and 31.54 percent, respectively, excluding treasury shares held by AB Electrolux), has undertaken to subscribe for its pro rata share of the Rights Issue. In addition, Investor AB has undertaken to guarantee subscription of 18.78 percent of the Rights Issue. In total, Investor AB’s undertaking encompasses 37.56 percent of the Rights Issue.
- Morgan Stanley and SEB (the “Joint Global Coordinators”) and Deutsche Bank (the “Co-Bookrunner”, together with the Joint Global Coordinators, the “Underwriters”) have entered into an underwriting commitment with AB Electrolux, subject to customary conditions, covering the remaining portion of the Rights Issue. The Rights Issue is thus fully underwritten.

Background and rationale and use of proceeds of the Rights Issue

On April 23, 2026, Electrolux Group announced that it had entered into agreements with Midea Group to establish a highly complementary long-term strategic partnership in North America and a plan to improve efficiency across its organization including a focused optimization of the Group’s global manufacturing footprint to further increase agility across the organization. Against the background of the strategic initiatives announced on April 23, 2026, the Board of Directors of AB Electrolux resolved on the Rights Issue. Following completion of the Rights Issue, Electrolux Group will raise gross proceeds of SEK 9,062 million, before deduction of transaction costs.

Electrolux Group is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our group of leading appliance brands, including Electrolux, AEG and Frigidaire, we sell household products in around 120 markets. In 2025 Electrolux Group had sales of SEK 131 billion and employed 39,000 people around the world. For more information go to www.electroluxgroup.com.

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The gross proceeds will be used to finance Electrolux Group's profitable growth initiatives and strengthen the Group's balance sheet. The Group intends to allocate the gross proceeds as follows:

- SEK 1.0-1.5 billion to support the Group's long-term strategic partnership with Midea Group in Food Preservation (refrigeration) manufacturing and sales, and Fabric Care (laundry) in North America.
- SEK 2.0-2.5 billion to support the Group's plans to improve efficiency across its organization over the next two years, including targeted optimization of the global manufacturing footprint to improve capacity utilization and drive cost efficiencies in addition to staff reductions globally, across functions, in line with Electrolux Group's strategy to strengthen competitiveness and financial resilience.
- SEK 1.0 billion to support other long-term profitable growth initiatives, including product category and market expansion and increasing lifetime value offerings.
- SEK 4.0-5.0 billion to strengthen the Group's balance sheet to provide the Group with the financial flexibility and resilience needed in today's competitive and challenging market environment, while executing on the strategic initiatives and maintaining a solid investment-grade credit rating.

Please refer to Electrolux Group's press releases dated April 23, 2026 ([Partnership announcement](#), and [Global organization and footprint optimization, and Rights Issue announcement](#)), for more information on the background and rationale for the Right Issue and further details on the use of proceeds.

Terms and conditions of the Rights Issue

Each existing share in AB Electrolux held on the record date, May 29, 2026, entitles to two (2) subscription rights. One (1) subscription right entitles to subscription for one (1) new share, whereby subscription rights of Class A entitle to subscription of shares of Class A and subscription rights of Class B entitle to subscription of shares of Class B. Shares not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (representing the primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right. If not all new shares are subscribed for with subscription rights (primary preferential right), new Class A and Class B shares will be allotted by the Board, up to the maximum amount of the Rights Issue, in the following order (except for such shareholders who reside in certain unauthorized jurisdictions):

Firstly, allotment shall be made to those who have subscribed for new shares with subscription rights (subsidiary preferential right), irrespective of share class subscribed for and regardless of whether they were shareholders on the record date or not. In case of oversubscription, allocation shall be made pro rata in relation to the number of subscription rights each one has exercised for subscription of shares and, if that is not possible, by drawing of lots.

Secondly, allotment shall be made to others who have applied for subscription of shares without subscription rights (the general public in Sweden and "qualified investors"). In case of oversubscription, allocation shall be made pro rata in relation to their applied interest and, if that is not possible, by drawing of lots.

Thirdly, allotment shall be made to Investor AB and the Underwriters in accordance with their respective guarantee undertakings.

The Rights Issue is expected to increase AB Electrolux share capital by a maximum of SEK 2,951,906,720, from the current SEK 1,544,601,540 to not more than SEK 4,496,508,260 through an issuance of not more than 540,992,636 new shares, of which a maximum of 16,383,608 new Class A shares and a maximum of 524,609,028 new Class B shares. After the Rights Issue, the number of shares in AB Electrolux is expected to amount to not more than 824,070,029 shares, of which not more than 24,575,412 Class A shares and 799,494,617 Class B shares.

The new shares are issued at a subscription price of SEK 16.75 per Class A and Class B share, respectively. No commission will be charged.

The record date for participation in the Rights Issue is expected to be on May 29, 2026. The subscription period is expected to run from and including June 2, 2026, up to and including June 16, 2026, or a later date as resolved by the Board of Directors.

Trading in subscription rights is expected to take place on Nasdaq Stockholm during the period from and including June 2, 2026, up to and including June 11, 2026. Trading in BTAs (Sw. *betalda tecknade aktier*) is expected to take place on Nasdaq Stockholm during the period from and including June 2, 2026, up to and including June 29, 2026.

Shareholders who do not participate in the Rights Issue will have their holdings diluted by up to 65.65% percent (66.67% percent excluding treasury shares held by AB Electrolux) and voting rights diluted by up to 65.86% percent, but have the possibility to compensate themselves financially for the dilution by selling their subscription rights no later than June 11, 2026.

The Rights Issue is subject to approval by the EGM to be held on May 27, 2026. The resolution on the Rights Issue will also require that the EGM resolves to amend the limits for the share capital and the number of shares in the company's articles of association.

The full terms and conditions of the Rights Issue as well as further information about Electrolux Group will be presented in the prospectus that is expected to be published on Electrolux Group's website on May 28, 2026.

Subscription and underwriting commitments

Investor AB, holding 17.94 percent of the shares and 30.43 percent of the votes in AB Electrolux (18.78 and 31.54 percent, respectively, excluding treasury shares held by AB Electrolux), has undertaken to subscribe for its pro rata share of the Rights Issue. In addition, Investor AB has undertaken to guarantee subscription of 18.78 percent of the Rights Issue. In total, Investor AB's undertaking encompasses 37.56 percent of the Rights Issue. The Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) has – in relation to Investor AB's undertaking to subscribe for its pro rata share of the Rights Issue – granted Investor AB an exemption from the mandatory takeover bid requirement that would otherwise arise. Investor AB has also been granted such an exemption in relation to its undertaking to underwrite the Rights Issue, subject to (i) the shareholders of AB Electrolux being informed ahead of the EGM about the maximum ownership level that Investor AB may reach upon utilization of its underwriting undertaking; and (ii) the EGM's resolution to approve the Rights Issue being supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the EGM, whereby shares held and represented by Investor AB must be disregarded. Investor AB's guarantee undertaking is conditional upon said majority being received at the EGM. Morgan Stanley, SEB and Deutsche Bank have entered into a underwriting commitment with AB Electrolux, subject to customary conditions, covering the remaining portion of the Rights Issue, including shares subject to Investor AB's guarantee undertaking in the event the above-mentioned majority is not received at the EGM. The Rights Issue is thus fully underwritten.

Based on the subscription price of SEK 16.75 per share of Class A and Class B, respectively, and assuming that the Rights Issue is subscribed only to the extent covered by subscription and underwriting commitments from Investor AB and the Underwriters, Investor AB would hold approximately 30.81% percent of the shares and approximately 41.58% percent of the votes in AB Electrolux following the Rights Issue.

Lock-up undertakings

The Board members of Electrolux have undertaken not to, without the prior written consent from the Joint Global Coordinators, and with customary exceptions, sell their respective holdings of shares in AB Electrolux or otherwise enter into transactions with similar effect for a period of 180 days, starting on the date falling immediately after the last day of the subscription period in the Rights Issue (June 16, 2026).

Furthermore, Investor AB has similarly undertaken not to, without the prior written consent from the Joint Global Coordinators, and with customary exceptions, sell its holding of shares in AB Electrolux or otherwise enter into transactions with similar effect for a period ending on the date falling 180 days after announcement of the final outcome of the Rights Issue, expected on or around June 22, 2026.

In addition, the Company has undertaken not to, without the prior written consent from the Joint Global Coordinators, and with customary exceptions, issue or contract to issue shares or other securities, or directly or indirectly sell, transfer, pledge, lien, charge, grant security or an option over, or enter into any other agreement or arrangement having a similar effect for a period ending on the date falling 180 days after announcement of the final outcome of the Rights Issue, expected on or around June 22, 2026.

Prospectus

Comprehensive information regarding the Rights Issue will be included in the prospectus which is expected to be published on or around May 28, 2026.

Indicative timetable for the Rights Issue

The timetable below is preliminary and may be subject to change.

May 27, 2026	EGM to approve the Rights Issue
May 27, 2026	Last day of trading in shares including right to participate in the Rights Issue
May 28, 2026	First day of trading in shares excluding right to participate in the Rights Issue
May 28, 2026	Estimated date for publication of the prospectus
May 29, 2026	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the Rights Issue
June 2, 2026 – June 11, 2026	Trading in subscription rights on Nasdaq Stockholm
June 2, 2026 – June 16, 2026	Subscription period
June 2, 2026 – June 29, 2026	Trading in paid subscribed shares (Sw: <i>betalda tecknade aktier</i>) (“BTAs”)
On or around June 17, 2026	Estimated date of announcement of preliminary outcome of the Rights Issue
On or around June 22, 2026	Estimated date of announcement of final outcome of the Rights Issue

Advisors

Morgan Stanley and SEB are acting as Joint Global Coordinators, and Deutsche Bank is acting as Co-Bookrunner. Mannheimer Swartling Advokatbyrå AB and Davis Polk & Wardwell London LLP are acting as legal advisors to Electrolux as to Swedish law and U.S. law, respectively. White & Case Advokat AB and White & Case LLP are acting as legal advisors to the Underwriters as to Swedish law and U.S. law, respectively.

This is information that AB Electrolux is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on May 21, 2026 20:30 CEST.

Important notice

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The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the “Securities”) or any other financial instruments in AB Electrolux. Any offer in respect of any securities in connection with the Rights Issue will only be made through the prospectus that AB Electrolux expects to publish on or about May 28, 2026 on www.electroluxgroup.com. Any offer will not be made to, and application forms will not be approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction

where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

None of the Securities have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the Securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are "qualified investors" (as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024) who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). Any person in the United Kingdom that is not a Relevant Person should not act or rely on the information included in this press release or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this press release relates is available only to, and will be engaged in only with, Relevant Persons.

This press release contains forward-looking statements that reflect AB Electrolux current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect AB Electrolux beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, AB Electrolux does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.