

Press release

Stockholm, December 28, 2018

Essity wins tax case

The Supreme Administrative Court announced its judgment today in Essity's dispute with the Swedish Tax Agency regarding the agency's decision to impose additional taxes and tax surcharges for the years 2008 to 2012. As earlier announced by the company Essity has recognized a provision for and paid the disputed amount. The judgment will reduce Essity's tax expense by approximately SEK 1.1bn in the fourth quarter of 2018.

The case pertained to interest expenses on loans in a Group company that arose in connection with the relocation of operations to Sweden in 2004. The decision by the Swedish Tax Agency and the lower courts stipulating that interest expenses on the loans could not be deducted for the fiscal years in question was reversed by the Supreme Administrative Court and the taxes paid will be refunded to the company.

NB: This information is information that Essity 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, at 18:30 CET on December 28, 2018.

Karl Stoltz, Media Relations Manager, +46 8 788 51 55

For additional information please contact:

Karl Stoltz, Media Relations manager, +46 8 788 51 55, karl.stoltz@essity.com

About Essity

Essity is a leading global hygiene and health company dedicated to improving well-being through our products and solutions, essentials for everyday life. The name Essity stems from the words essentials and necessities. Our sustainable business model creates value for people and nature. Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as Jobst, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa. Essity has about 48,000 employees and net sales in 2017 amounted to approximately SEK 109bn (EUR 11.3bn). The headquarters is located in Stockholm, Sweden, and the company is listed on Nasdaq Stockholm. More information at www.essity.com.
