

Press release

Stockholm, February 27, 2020

Essity acquires 75% of the medical solutions company ABIGO Medical AB

Hygiene and health company Essity has signed an agreement to acquire 75% of the Swedish medical solutions company ABIGO Medical AB. The company as a whole is valued at SEK 900m on a debt-free basis. ABIGO Medical AB develops, manufactures and markets products including the Sorbact® technology, which is a clinically established innovation for advanced wound care. Jan G. Smith will retain a 25% stake in the company and remain as chairman of the board.

ABIGO Medical AB is a Swedish company with its head office in Gothenburg, Sweden, and was founded in 1989 by the brothers Jan G and Leif Smith. The company has about 170 employees and reported net sales of approximately SEK 403m in 2019. ABIGO Medical AB is currently a key partner and sub-supplier to Essity.

"The acquisition is a good strategic fit for Essity and strengthens the innovation capacity of our Medical Solutions business. ABIGO Medical has leading innovations in advanced wound care that reduce the spread of bacteria without increasing resistance to antibiotics," says Magnus Groth, President and CEO of Essity.

"Essity's values and strategy are well aligned with ABIGO's ambitions for the future and with Essity as a partner, we believe there is great potential to continue our shared journey of growth," says Jan G. Smith.

Sorbact® is a technology that Essity, through ABIGO Medical AB, already uses in its wound care products to prevent and treat infections. It does this using a natural mode of action that binds bacteria and fungi. Sorbact® does not contain antiseptics or other toxic substances, which is positive for both the patient and the environment.

The completion of the transaction is subject to customary regulatory approvals and closing is expected to take place during the second quarter of 2020.

For additional information, please contact:

Johan Karlsson, Vice President Investor Relations, +46 8 788 51 30, johan.ir.karlsson@essity.com
Henrik Sjöström, Media Relations Manager, +46 8 788 51 36, henrik.sjostrom@essity.com

About Essity

Essity is a leading global hygiene and health company. We improve people's well-being through our products and services. 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 46,000 employees. Net sales in 2019 amounted to approximately SEK 129bn (EUR 12.2bn). The headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks down barriers for improved well-being and contributes to a healthy, sustainable and circular society. More information at www.essity.com