

Press release

Stockholm, December 15, 2023

Pre-conditional public offer announced for 100% of the shares in Essity's subsidiary Vinda

Isola Castle Ltd, a company indirectly wholly owned by Asia Pacific Resources International Limited (APRIL), has today announced that it will make a pre-conditional public offer to the shareholders of Vinda International Holdings Limited (Vinda) to acquire 100% of the shares in Vinda for a price per share of HKD 23.50. Essity supports the offer and has signed an irrevocable undertaking to accept the offer in respect of all of its 51.59% shareholding in Vinda. The price in the public offer will correspond to an equity value of Vinda of approximately HKD 28.3bn (SEK 37.3bn).

The transaction is expected to generate cash proceeds to Essity of approximately HKD 15bn (SEK 19bn).

An exclusive license to continue to market and sell certain Essity branded products will be offered to Vinda after closing of the transaction to replace the existing license agreement.

"This is a very attractive offer for Essity and for our shareholders. We maintain a presence in Asia and in Vinda through continued licensing of Essity's brands, with sustainability requirements for sourcing, production and collaboration in innovation and marketing. After completion of the bid, we will also reduce Consumer Tissue's share of Essity's total sales and enable increased focus on investments and growth in Essity's brands and higher yielding categories," says Magnus Groth, President and CEO of Essity.

Essity's ownership of 51.59% in Vinda has been consolidated 100% by Essity since 2014. Vinda is listed on the Hong Kong Stock Exchange and had a market capitalization of approximately HKD 25bn (SEK 33bn) at the end of trading on December 14, 2023. Vinda's net sales in 2022 amounted to approximately SEK 25.1bn and EBITA amounted to approximately SEK 1.1bn. Of Vinda's net sales, 83% were related to tissue and 17% were related to personal care.

As of Q4 2023, Essity will classify the financial reporting of Vinda as discontinued operations. Essity will shortly provide updated comparable figures. Essity's financial targets for annual sales growth and adjusted ROCE will be reviewed as a consequence of this transaction. After legal consultation Essity has concluded that a divestment of its shares in Vinda, where Essity remains with its business through brands, technologies and innovations, and licensed sales, does not constitute cessation of business under Essity's EMTN program.

The launch of the offer and completion of the transaction are subject to approval by regulatory authorities in China and other relevant markets. The transaction is expected to be completed mid-2024.

Conference call for investors, analysts and media

A conference call will be held today, December 15, at 09:00 CET with Essity's President and CEO Magnus Groth. The conference call will be live webcasted at <https://essity.videosync.fi/2023-12-15>



You can also participate and ask questions by telephone, call: UK: +44 (0) 33 0551 02 00, USA: +1 786 697 35 01, SWE: +46 (0) 8 505 204 24 and indicate "Essity"

NB: This information is such that Essity Aktiebolag (publ) is obligated 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 00:35 CET on December 15, 2023.

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About Essity

Essity is a global, leading hygiene and health company. We are dedicated to improving 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 Actimove, JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Modibodi, Nosotras, Saba, Tempo, TOM Organic, Vinda and Zewa. Essity has about 48,000 employees. Net sales in 2022 amounted to approximately SEK 156bn (EUR 15bn). The company's headquarters is located in Stockholm, Sweden, and Essity is listed on Nasdaq Stockholm. Essity breaks barriers to well-being and contributes to a healthy, sustainable and circular society. More information at www.essity.com.