



## ESSITY AKTIEBOLAG (PUBL)

(incorporated with limited liability in Sweden with the registered number 556325-5511)

## ESSITY CAPITAL B.V.

(incorporated with limited liability in the Netherlands and registered with the commercial register number 82525897)

**Euro 6,000,000,000**

### Euro Medium Term Note Programme

Unconditionally and irrevocably guaranteed by  
(in respect of Notes issued by Essity Capital B.V. only)  
ESSITY AKTIEBOLAG (PUBL)

This document constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for the purposes of giving information with regard to the issue of notes (the "**Notes**") by Essity Aktiebolag (publ) ("**Essity**") or Essity Capital B.V. ("**Essity Capital**") (each an "**Issuer**" and, together, the "**Issuers**") under the Euro 6,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described herein (the "**Base Prospectus**"). Notes under the Programme may be issued by either Issuer. Notes issued by Essity Capital will be unconditionally and irrevocably guaranteed by Essity (in such capacity, the "**Guarantor**") pursuant to a deed of guarantee dated 7 May 2021 (the "**Deed of Guarantee**").

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue. Pursuant to the Programme, an Issuer may from time to time issue Notes denominated in any currency agreed between such Issuer and the relevant Dealer(s) (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as a base prospectus issued in compliance the Prospectus Regulation for the purpose of giving information with regard to the issue of Notes under the Programme. The CSSF is the Luxembourg competent authority for the purposes of the Prospectus Regulation and the Luxembourg Law dated 16 July 2019 relating to prospectuses for securities, as amended (the "**Prospectus Law**"). By approving this Base Prospectus in accordance with Article 6(4) of the Prospectus Law, the CSSF gives no undertaking as to the economic or financial opportuneness of any transaction or the quality and solvency of either of the Issuers or the Guarantor.

The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of either of the Issuers or the Guarantor nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the sustainability of investing in such Notes.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MIFID II**").

Pursuant to Articles 12(1) and 21(8) of the Prospectus Regulation, this Base Prospectus will remain valid until the expiry of 12 months from the date hereof, that being 5 May 2024. Consequently, the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply once this Base Prospectus is no longer valid. This Base Prospectus will be published in electronic form on the website of Essity (<https://www.essity.com/investors/debt-financing/debt-programmes/>).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer and the relevant Dealer(s). The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market. The relevant Issuer may agree with the relevant Dealer(s) that Notes may be issued in a form not contemplated by the Conditions of the Notes herein, in which event a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Essity has been assigned a Baa1 long-term senior unsecured rating with a stable outlook by Moody's Deutschland GmbH ("**Moody's**") and a BBB+ long-term senior unsecured rating with a stable outlook by S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("**Standard & Poor's**"). Series of Notes issued under the Programme may be rated by Moody's and/or Standard & Poor's.

Moody's and Standard & Poor's are established in the European Economic Area and are registered under Regulation (EC) No. 1060/2009 on credit rating agencies (the "**EU CRA Regulation**"). As such Moody's and Standard & Poor's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with such Regulation at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.** Please also refer to "*Ratings*" in the Important Notices section of this Base Prospectus.

Arranger and Dealer

**Citigroup**  
Dealers

**BNP PARIBAS**  
**Deutsche Bank**

**Crédit Agricole CIB**  
**NatWest Markets**

The date of this Base Prospectus is 5 May 2023.

## IMPORTANT NOTICES

### ***Responsibility for this Base Prospectus***

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes. To the best of the knowledge and belief of each Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Issuers and the Guarantor having made all reasonable enquiries, confirms that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealers or the Managers, as the case may be.

### ***Final Terms***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (<http://www.luxse.com/>).

### ***Other relevant information***

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers make no representation, warranty or undertaking, express or implied, and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. The Dealers accept no responsibility for any acts or omissions of the Issuers or the Guarantor or any third party in connection with the issue and offering of Notes.

### ***Unauthorised Information***

The Issuers and the Guarantor are responsible for the information contained in this Base Prospectus and have not authorised anyone to provide any other information, and the Issuers, the Guarantor and the Dealers take no responsibility for any other information that others may supply.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuers or the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers or the Guarantor is correct

at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

### ***Restrictions on distribution***

The Notes and the Guarantee of the Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the Kingdom of Sweden ("**Sweden**"), the Netherlands, the United Kingdom ("**UK**") and Japan (see "*Subscription and Sale*").

### **Product Governance under MiFID II**

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

### **Product Governance under UK MiFIR**

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking

its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

#### **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### **Benchmarks Regulation**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator).

#### **Product Classification Pursuant to Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore**

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) (the "**SFA**").

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

#### ***Certain definitions***

In this Base Prospectus, references to "**Issuer**" are to Essity Aktiebolag (publ) or Essity Capital B.V., as the case may be, in its capacity as the Issuer of a particular Series of Notes under the Programme and references to the "**relevant Issuer**" shall be construed accordingly.

All references in this document to "SEK" refer to Swedish kronor. In addition, references to a "Member State" are references to a Member State of the European Economic Area, all references to "U.S. dollars" refer to United States dollars, references to "Sterling" refer to pounds sterling, references to "Yen" refer to Japanese yen, references to "EUR", "euro", "Euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, pursuant to the Treaty on the Functioning of the European Union (the "EU"), as amended.

### ***Ratings***

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. The words "**anticipate**", "**believe**", "**expect**", "**plan**", "**intend**", "**targets**", "**aims**", "**estimate**", "**project**", "**will**", "**would**", "**may**", "**could**", "**continue**" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Group are forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward looking statements include, among other factors described in this Base Prospectus:

- our ability to realise the benefits we expect from existing and future investments in our existing operations and pending expansion and development projects;
- our ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed development projects;
- our ability to obtain external financing or maintain sufficient capital to fund our existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which we and our customers operate;
- changes in the competitive environment in which we and our customers operate;
- failure to comply with regulations applicable to our business; and
- fluctuations in the currency exchange rates in the markets in which we operate.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuers and the Guarantor speak only as at the date they are made. The Issuers and the Guarantor do not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This description constitutes a general description of the Programme for the purposes of the Article 25 of Commission Delegated Regulation (EU) 2019/980.*

*Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this general description.*

Issuers:	Essity Aktiebolag (publ) Essity Capital B.V.
Guarantor:	Essity Aktiebolag (publ), in respect of Notes issued by Essity Capital B.V.
Description:	Euro Medium Term Note Programme
Arranger:	Citigroup Global Markets Europe AG
Dealers:	BNP Paribas Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft NatWest Markets N.V.  and any other Dealers appointed in accordance with the Programme Agreement.
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
Programme Size:	Euro 6,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Euro, Sterling, SEK, Yen, Swiss francs, U.S. dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro.
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. No Notes may be issued with a maturity of less than one year.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par. The applicable Final Terms will indicate the Issue Price.
Form of Notes:	The Notes will be issued in bearer form as described in "Form of the Notes".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on



redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (ii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

Other provisions in relation to Floating Rate Notes:

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between such Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer or on the occurrence of a Special Redemption Event.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Denomination of the Notes:

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation will be EUR 100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Sweden or the Netherlands, subject as provided in Condition 8 (*Taxation*), unless required by law. In the event that any such deduction is made, the relevant Issuer or the Guarantor (as applicable) will, save in certain

	limited circumstances provided in Condition 8 ( <i>Taxation</i> ), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 ( <i>Negative Pledge</i> ).
Cross Acceleration:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 10 ( <i>Events of Default</i> ).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 ( <i>Negative Pledge</i> )) unsecured obligations of the relevant Issuer which will at all times rank at least <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other present and future unsubordinated and unsecured obligations of the relevant Issuer, from time to time outstanding.
Status of the Guarantee:	In respect of Notes issued by Essity Capital only, such Notes will be unconditionally and irrevocably guaranteed by the Guarantor on an unsubordinated basis. The obligations of the Guarantor under the guarantee will constitute a direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 ( <i>Negative Pledge</i> )), unsecured obligation of the Guarantor and will at all times rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
Substitution:	The terms and conditions of the Notes permit the substitution of the relevant Issuer, without the consent of the Noteholders, for Essity or a subsidiary of Essity as principal debtor in respect of any Series of Notes issued under the Programme, subject to satisfaction of the conditions as described in Condition 16 ( <i>Substitution</i> ).
Rating:	The rating of the Notes to be issued under the Programme will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the EU and registered under the EU CRA Regulation will be disclosed in the Final Terms.
Approval, listing and admission to trading:	Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes, and any non-contractual obligations arising out of or in connection therewith, will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, Sweden, the Netherlands, the UK, Japan and Singapore and such other restrictions as may be

required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

Risk Factors:

Investing in the Notes involves risks. See "*Risk Factors*".

## RISK FACTORS

*The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuers and the Guarantor believe that the risks described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor (as applicable) to pay interest, principal or other amounts on or in connection with any Notes may occur for other unknown reasons. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **A. Factors that may affect the relevant Issuer's and the Guarantor's (as applicable) ability to fulfil its obligations in respect of Notes issued under the Programme**

#### **Risks relating to the Business of the Group**

##### ***The Group faces competition in all its markets***

Essity and its consolidated subsidiaries (the "**Group**") experiences considerable competition for sales of its products and services in each of its business areas. Although the nature of the markets and the number and size of major competitors vary across its business areas, the Group has several major competitors in each business area in which it operates, some of which are larger than the Group entity operating in that business area. The principal methods and elements of competition in various areas of the Group's business include brand recognition and loyalty, product innovation, quality and performance, price, service, proximity to customers and distribution capabilities. Inherent risks in the Group's competitive strategy include uncertainties concerning trade and customer acceptance, the effects of consolidation of retailers and other customers and competitive reaction. Digitalisation has broadened the Group's competitive landscape in digital products and solutions, new digital business models and new players, such as start-ups and technology companies that now compete with the Group in the field of hygiene and health. Competitive pressures could reduce revenue and have an adverse impact on the Group's financial results.

##### ***Impact of substitutes***

There is a risk that other product solutions (i.e. substitutes) may replace products that are included in the Group's offering and thereby reduce sales. The issue of substitutes is also linked to changes in the patterns and attitudes of customers and consumers that affect demand for certain products and thus profitability. Any reduction in sales as a result of substitutions or competing products may have a material adverse effect on the operations and financial performance of the Group.

##### ***Costs of input goods***

Raw materials and other input goods account for a significant part of the Group's total operating expenses. The market price of many of the input goods used in the manufacturing of the Group's products fluctuates over time. Any significant fluctuations and increases in the price of raw materials and input goods could have a material adverse effect on the earnings and financial performance of the Group.

##### ***Changes in the price of the Group's products***

Movements in the market price of the Group's products could create major fluctuations in the profitability of the product(s) in question. In such a circumstance, profitability may be further affected by changes in costs for the Group. Changes in the price of the Group's products may have a negative impact on the overall Group's profits.

### ***Capacity additions may cause price pressure on the Group's products***

Demand for many of the products offered by the Group remains relatively stable. However, if the Group's competitors were to increase their production capacity and also sell such products, the increased level supply in the market may lead to the Group experiencing pricing pressures to remain competitive.

### ***GDP trend and economic conditions***

The Group's volume of output of products is linked to GDP and related factors, including industrial production, in countries representing the Group's main markets. Movements in the GDP trend influence demand for some of the Group's products. Any reduction in demand for the Group's products as a result of adverse movements in GDP in the Group's main markets may have a material adverse effect on the operations and financial performance of the Group.

### ***Global health risks***

Extensive outbreaks of disease (including, for example, Covid-19) entail risks for the Group's operations, not least in terms of the risks posed to our employees' health and safety and their ability to carry out their work. Political decisions to limit the spread of disease, such as lockdowns, more stringent border security measures or other restrictions may also cause disruptions at production facilities, in the supply chain or for a third party's ability to fulfil its obligations toward the Group. More extensive outbreaks of disease may also result in a temporary fall in demand for some of our products, changed consumer behaviour and preferences and changes in the economic conditions in the countries where we conduct operations.

Disease outbreaks and global health risks could potentially also lead to an increase in healthcare costs. This, in turn, may result in limitations being imposed on subsidised prescription of the Group's products in Incontinence Products and Medical Solutions and an accelerated shift toward self-management of health and self-financing of these products.

### ***Changes in demographics, consumer behaviour and preferences***

Changing demographics, consumer behaviour and preferences alter demand from customers and consumers. There is a risk of a decline in demand for the Group's products if the Group does not successfully satisfy customer and consumer needs and adapt our innovation program, product portfolio, sales channels, brand-building activities and communication accordingly.

## **Risks relating to the Operations of the Group**

### ***Risks at plants***

The Group has approximately 90 production facilities in some 30 countries and many of these conduct continuous production. Fires, machinery breakdowns, pandemics and other types of harmful incidents could damage the plant in question and also cause delivery problems. Any disruptions or harmful incidents at the Group's plants, or the time and cost of remedying such incidents or damage, may have a negative impact on the Group's market position.

### ***Dependence on major customers and sales channels***

The Group's products are sold through retailers, pharmacies, e-commerce, distributors and resellers. The retail trade is the Group's single largest customer category and thus the performance of the Group in this market has considerable impact on the Group's overall performance. 61 per cent. of the Group's sales are made to the retail trade, through both the Group's brands and retailers' brands. Members of the Group also use other distributors or retailers. The success of such distributors or retailers could impact the Group's overall performance. A general consolidation process is taking place in several of the Group's sales channels, thus increasing dependence on individual customers. In the retail trade, the prevailing trend is towards increased concentration, which has mainly resulted in fewer retail companies at a national and regional level. The Group also uses distributors, mainly for professional hygiene. A very large number of distributors are active in this segment and the international concentration is relatively low. In 2022, the Group's ten largest customers accounted for 20.8 per cent. of the Group's overall sales, most of these customers were retail companies and distributors. The ten largest customers also include some large distributors of professional hygiene. The general consolidation and increase in dependence could result in negative consequences if the Group does not fulfil the demands imposed.

### ***Dependence on suppliers***

The Group is dependent on a large number of suppliers for the supply of key input goods, such as wastepaper, pulp and energy, such as electricity, natural gas and petroleum-based fuels. The Group has a number of suppliers for essentially all important input goods and continuously enters into supply agreements with several suppliers on various durations. The Group also has intensive cooperation with selected suppliers that covers the development of materials and processes. The loss of key suppliers could result in costs for the Group and problems in manufacturing. Suppliers could also cause problems for the Group through non-compliance with applicable legislation and regulations or by otherwise acting in an unethical manner.

### ***Risks relating to geopolitical tensions and military interventions***

The war in Ukraine has created an uncertain situation for the health and safety of a number of the Group's employees. The global situation has also been negatively affected in general, an example of which is the dramatic increase in energy prices in Europe. The higher energy prices also impact the Group's earnings.

The Group's assets in Russia have been impaired by SEK 1.7bn. Work is ongoing to exit the Russian market. In 2022, the Group's net sales in Russia amounted to SEK 3.6bn, corresponding to 2.3 per cent. of total consolidated net sales. Net assets in Russia amount to SEK 1.4bn following the aforementioned impairment.

These assets include cash and cash equivalents of SEK 0.9bn. It is not possible to foresee if these cash and cash equivalents will be available outside Russia, but it is assumed that they can be used to pay debts in Russia that amount to SEK 0.6bn. Other assets consist of inventory of approximately SEK 500m, trade receivables of approximately SEK 500m and other receivables of approximately SEK 100m. The Group has 1,400 employees in Russia and three production plants. The Group's net sales in Ukraine amounted to 0.3 per cent. of total consolidated net sales in 2022.

Geopolitical events, such as the war in Ukraine, therefore risk impacting the Group's business and any future similar events may have a material adverse effect on the operations and financial performance of the Group.

### ***Employee-related risks***

The Group must have access to skilled and motivated employees and safeguard the availability of competent managers to achieve established strategic and operational objectives. It is therefore important that the Group is successful in attracting and retaining employees with appropriate skills in the future. If this is not possible, this could have an adverse effect on its business and brand.

### ***Information and IT risks***

The Group relies on IT systems in its day-to-day operations. Disruptions or faults in critical systems, as well as the increasing prevalence of cyber-attacks, risk having a direct impact on production and important business processes. These risks grow in an increasingly technically complex and interlinked world. Any errors in the handling or maintenance of the Group's IT systems and/or disruptions or faults to its IT services may have a material adverse effect on the operations and financial performance of the Group.

### ***Risks relating to the acquisition of new businesses***

Success in the Group's acquisition strategy depends on several factors, such as the ability to identify suitable businesses for acquisition, reach agreements on acceptable acquisition terms and to finance such acquisitions. It is possible that the Group's future acquisitions cannot be carried out on favourable terms. It is also possible that, in the future, there will not be a sufficient number of attractive targets available for acquisition or that the Group will not be able to secure necessary financing.

There are also business risks, tax risks and economic risks associated with acquiring and integrating companies into the Group's existing business operations, for example, but not limited to, exposure to unknown obligations as well as acquisition and integration costs that are higher than expected.

It is possible that the Group's assessments and assumptions regarding possible or implemented acquisitions (including assumptions regarding synergies) will prove to be incorrect or that obligations, contingent liabilities or other risks previously unknown to the Group might arise. Likewise, the Group's assessments

and assumptions concerning the possibilities and prospects for organic growth may prove to be incorrect and obligations, unforeseen events or other risks that were unknown to the Group may arise.

The Group might also divest operations that no longer fit in with the Group's strategy. Several factors affect success in any divestment, for example the Group's ability to identify a buyer and the Group's ability to negotiate acceptable terms. In addition, it is possible that the Group might be required to provide certain warranties and undertakings in connection with such divestment. In the future the Group may find it difficult to divest operations or assets or might fail to successfully complete such divestments on terms favourable for the Group.

### ***Expansion into new markets***

The sale of the Group's products in new markets can be managed by agents or by the Group's own sales company. When it has been decided to conduct manufacturing in the local market, this may be carried out through a joint venture in cooperation with other owners or by the Group acquiring or forming a wholly owned company. Prior to initiating operations, the Group conducts a feasibility study and a risk analysis of issues related to legal requirements, due diligence of existing companies, and assessments of the business climate and common business practices and ethics. However, if the conditions differ from those in already established markets, this expansion could involve new and increased risks for the Group.

### **Financial Risks**

#### ***Liquidity and refinancing risk***

Liquidity and refinancing risk is the risk that the Group is unable to meet its payment obligations as a result of insufficient liquidity or difficulty in raising new loans.

If the Group is unable to obtain sufficient credit, either due to banking or capital markets conditions generally, or due to factors specific to its business, the Group may not have sufficient cash to develop new projects, fund acquisitions or meet ongoing financing needs, which in turn could materially and adversely affect the revenues, operating results, cash flows and financial condition of the Group.

#### ***Risks relating to adverse global economic conditions***

Adverse and volatile economic conditions, in particular concerns regarding the financial conditions of sovereigns, financial institutions, insurers, and other corporates, can limit the Group's financial performance in terms of anticipated revenues and costs and can affect the ability of the Group to implement planned projects. Ratings agencies and industry analysts are likely to take such conditions into account when assessing the business and creditworthiness of the Group, and any adverse determinations, including ratings downgrades, may make it more difficult for the Group to raise capital in the future and may adversely affect the market price of the Notes issued by the relevant Issuer.

A default by, or a significant decline in the credit rating of, one or more sovereigns or financial institutions could cause severe stress generally in the global financial system and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group's counterparties, customers, suppliers or creditors, directly or indirectly, in ways which are difficult to predict. The impact of these conditions could be detrimental to the relevant Issuer, the Guarantor and the Group and could adversely affect the Group's business, operations and profitability, its solvency and the solvency of its customers, the value and liquidity of its assets and liabilities, the value and liquidity of the Notes, and/or the ability of the relevant Issuer or the Guarantor to refinance its current financial obligations and/or meet its obligations under the Notes and/or its debt obligations more generally.

#### ***Energy price risk***

The Group's manufacturing operations utilise electricity, natural gas and petroleum-based fuels. The Group's contracts with energy suppliers vary as to price, payment terms, quantities and duration. Its energy costs are also affected by various market factors, including the availability of supplies of particular forms of energy, energy prices and local and national regulatory decisions. Rising cost of energy or unavailability of energy may impact the Group's result negatively. There can be no assurance that the Group will be fully protected against substantial changes in the price or availability of energy sources.

### ***Credit risk***

The Group is exposed to credit risk, for example the risk of losses due to failure to meet payment obligations by the Group's counterparties in financial agreements or by customers. Customer accounts receivable is subject to credit checks of customers using credit rating companies and regular monitoring of credit limits and are recognised at the amount that is expected to be paid based on an individual assessment of each customer. Credit risk exposure under the Group's financial agreements includes exposure against counterparties in derivative instruments, leasing transactions and other financial investments and arrangements. The failure by customers and counterparties under financial agreements to fulfil payment obligations towards a member of the Group may have a negative effect on the overall Group's cash flow and profit.

### ***Currency risk***

The Group is exposed to exchange rate risk in several ways. Exchange rate movements in export revenues and import expenses could negatively impact the Group's operating profit and the cost of non-current assets.

The currencies of the Group's revenues do not fully match the currencies of its operating costs. Furthermore, members of the Group, including Essity, have their financial statements reported in Swedish kronor but only a portion of its operations and assets are located in Sweden. In addition, changes in exchange rates can affect the relative competitive position of the Group's various plants and mills.

### ***Interest rate risk***

Interest rate risk is defined as the risk of adverse impact on the Group's financial position, including its income and economic value, due to interest rate movements. In addition, changes in the macro-economic environment may have a significant impact on the movement of interest rate curves for different currencies that the Group is exposed to. Adverse movements in interest rates and the currencies which the Group is exposed to may have a material adverse effect on the financial condition of the Group.

## **Legal and Regulatory Risks**

### ***Environmental impact and climate change***

The Group's operations have an impact on air, water, land, biodiversity and the climate and the Group is subject to a wide variety of environmental regulations in multiple jurisdictions around the world. Compliance with these rules and regulations at the federal, state, provincial and local levels is an important aspect of the Group's ability to continue its operations. The Group cannot guarantee that it will not incur significant additional environmental costs and liabilities in the future (which also may include paying for environmental restoration). Risks related to climate change and the financial implications of such change, for example, increased production costs and investment requirements, have increased in importance. In addition, the Group cannot assure that the businesses it has acquired, prior to its acquisition, always complied with all applicable environmental regulations. Also, countries could adopt tighter, more stringent environmental laws, regulations and enforcement policies than apply at present.

### ***Legal risks and political decisions***

The Group is affected by political decisions and administrative regulations in the many countries in which the Group conducts operations. These relate to general regulations, such as taxation and financial reporting and more specific regulations, such as licensing requirements under applicable environmental legislation and the reimbursement of expenses in the healthcare system. New legislation and other regulation in various countries could negatively impact the Group. Legal processes can be protracted and costly.

### ***Occurrence of unethical business practices and human rights violations***

The Group's operations and sales are conducted in approximately 150 countries and in sectors and environments where unethical business practices and violations of human rights may occur. If the Group is associated with such practices, this may damage the Group's reputation. The Group may also incur fines and other legal sanctions. The Group works together with various business partners, such as customers, distributors, partners in joint ventures and suppliers. The working practices of such partners can increase the risk of being associated with such practices.



## **B. Risks related to the structure and features of a Series of Notes**

### ***The position of Essity Aktiebolag (publ) in the Group***

Essity is the holding company of the Group and is therefore dependent on the income it receives from its operating subsidiaries in the form of notes, dividends or other payments to it as a shareholder. Any Notes issued by Essity and the rights under the Guarantee of the Notes (if applicable) will therefore be structurally subordinated to creditors (including trade creditors) and shareholders of subsidiaries of Essity.

### ***Essity Capital is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Essity and the Group in addition to that of Essity Capital***

As at the date of this Base Prospectus, Essity Capital is a company within the Group without significant business activities or holdings and accordingly Essity Capital's ability to pay interest and repay principal in respect of its borrowings, including the Notes issued by it, depends upon the financial condition and liquidity of Essity and the Group. Notes issued by Essity Capital will be unconditionally and irrevocably guaranteed by Essity. The Group further intends to provide Essity Capital with liquidity by way of intra-group arrangements or other transfers of value in order for Essity Capital to fulfil its obligations under the Notes issued by it. However, if the Group does not provide liquidity, or due to other circumstances, conditions, laws or regulations is prevented from providing liquidity to Essity Capital, there is a risk that Essity Capital will not fulfil its obligations under the Notes. Therefore, investors in the Notes issued by Essity Capital should consider the risk factors, financial condition and liquidity of Essity and the Group in addition to that of Essity Capital.

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand that liquidity may be limited if the relevant Issuer makes large allocations to a limited number of investors;
- (v) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Notes subject to optional redemption by the relevant Issuer***

An optional redemption feature of Notes is likely to limit their market value.

During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only

be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

With respect to the Issuer Clean-up Call, there is no obligation on the relevant Issuer to inform investors if and when the Minimum Percentage of a particular Series of Notes has been reached or is about to be reached, and the relevant Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call by the relevant Issuer the Notes may have been trading significantly above the redemption price, thus potentially resulting in a loss of capital invested.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Risks relating to Notes which are linked to "benchmarks"***

Interest rates or other types of rates and indices which are deemed to be "benchmarks", such as the Euro Interbank Offered Rate ("**EURIBOR**") and the Stockholm Interbank Offered Rate ("**STIBOR**"), are the subject of ongoing national and international regulatory discussion and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. The Benchmarks Regulation could have a material impact on any Notes linked to EURIBOR, STIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmarks Regulation. Such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative.

For Notes which are linked to any affected benchmark, uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to such benchmark may adversely affect such benchmark rates during the term of such Notes and the return on such Notes and the trading market for such Notes.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark or the occurrence of any other event that the relevant Issuer determines to be a Benchmark Event (as defined in the Conditions), or a determination by the relevant Issuer that a Successor Rate (as defined in the Conditions) may be available, could require or result in an adjustment to the interest provisions of the Conditions as determined by an Independent Adviser or the relevant Issuer (as further described in the Conditions), or result in other consequences, in respect of any Notes linked to such benchmark. The circumstances which can lead to the trigger of a Benchmark Event are beyond the relevant Issuer's control and the subsequent use of a Successor Rate or an Alternative Benchmark Rate following such Benchmark Event may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. Furthermore, if the relevant Issuer is unable to appoint an Independent Adviser or an Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Benchmark Rate in accordance with the Conditions, this may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under Notes linked to a benchmark or could have a material adverse effect on the value or liquidity of, and the amount payable under such Notes. Investors should consider these matters when making their investment decision with respect to such Notes.

#### ***Inverse Floating Rate Notes***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### **C. Risks related to the terms and conditions of the Notes**

#### ***Modification and substitution***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### ***In certain instances, the relevant Issuer could substitute the obligor under the Notes without the consent or approval of the Noteholders***

The relevant Issuer may, without the consent of the Noteholders or Couponholders, substitute itself in respect of all rights and obligations arising under or in connection with the Notes with a Substitute. Any such substitution will be subject to the conditions set out in the Conditions. The substitution of the relevant Issuer under the Notes could have adverse consequences, including tax implications, for Noteholders.

#### ***Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Exchange rate risks and exchange controls***

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### ***The secondary market***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Although applications have been made for the Notes issued under the Programme to be admitted to listing on Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

### ***Notes in global form held by or on behalf of Euroclear and Clearstream, Luxembourg***

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a Common Depositary or Common Safekeeper. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the relevant Issuer will discharge their payment obligations under the Notes by making payments to the Common Depositary or Common Safekeeper for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and filed with the CSSF shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

### *In respect of Essity*

- (a) the auditor's report and the consolidated financial statements for the financial year ended 31 December 2021 available at: [https://masdpstatic.azureedge.net/essity/8fe54e3f-ec63-442f-91b4-600d6449b2c2%2FEssity\\_Annual%20and%20Sustainability%20Report%202021\\_220302.pdf](https://masdpstatic.azureedge.net/essity/8fe54e3f-ec63-442f-91b4-600d6449b2c2%2FEssity_Annual%20and%20Sustainability%20Report%202021_220302.pdf) (the "**2021 Essity Financial Statements**");
- the auditor's report and the consolidated financial statements for the financial year ended 31 December 2022 available at: [https://masdpstatic.azureedge.net/essity/Essity\\_Annual%20and%20Sustainability%20Report%202022\\_0302.pdf](https://masdpstatic.azureedge.net/essity/Essity_Annual%20and%20Sustainability%20Report%202022_0302.pdf) (the "**2022 Essity Financial Statements**");
- (b) the unaudited condensed consolidated interim financial statements for the three months ended 31 March 2023 available at: [https://masdpstatic.azureedge.net/essity/Essity\\_Report\\_Q1\\_2023\\_ENG.pdf](https://masdpstatic.azureedge.net/essity/Essity_Report_Q1_2023_ENG.pdf) (the "**Q1 Essity Financial Statements**");

### *In respect of Essity Capital*

- (c) the auditor's report and the financial statements for the financial year ended 31 December 2021, available at: [https://www.essity.com/Images/Annual-Report-2021-w-audit-ltr\\_tcm339-165685.pdf](https://www.essity.com/Images/Annual-Report-2021-w-audit-ltr_tcm339-165685.pdf) (the "**2021 Essity Capital Financial Statements**");
- (d) the auditor's report and the financial statements for the financial year ended 31 December 2022, available at: [https://www.essity.com/Images/Essity-Capital-BV-Annual-Report-2022-w-audit-ltr\\_tcm339-165686.pdf](https://www.essity.com/Images/Essity-Capital-BV-Annual-Report-2022-w-audit-ltr_tcm339-165686.pdf) (the "**2022 Essity Capital Financial Statements**");

### *Terms and Conditions*

- (e) the terms and conditions as contained at pages 31 to 59 (inclusive) of the base prospectus dated 10 March 2017 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2017 Conditions**"), available at: [https://www.essity.com/Images/SCA-2017-EMTN-Update-Final-Base-Prospectus\\_tcm339-92125.pdf](https://www.essity.com/Images/SCA-2017-EMTN-Update-Final-Base-Prospectus_tcm339-92125.pdf);
- (f) the terms and conditions as contained at pages 33 to 62 (inclusive) of the base prospectus dated 7 May 2020 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2020 Conditions**"), available at: [https://www.essity.com/Images/Essity%20-%202020%20EMTN%20Update%20-%20Base%20Prospectus\\_tcm339-92390.pdf](https://www.essity.com/Images/Essity%20-%202020%20EMTN%20Update%20-%20Base%20Prospectus_tcm339-92390.pdf); and
- (g) the terms and conditions as contained at pages 36 to 69 (inclusive) of the base prospectus dated 7 May 2021 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2021 Conditions**"), available at: [https://www.essity.com/Images/Essity-Base-Prospectus-2021\\_tcm339-114766.pdf](https://www.essity.com/Images/Essity-Base-Prospectus-2021_tcm339-114766.pdf);

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with article 23 of the Prospects Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the office of Essity as set out at the end of this Base Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Banque Internationale à Luxembourg for Notes listed on the Luxembourg Stock Exchange. This Base Prospectus and the documents incorporated by reference are available for viewing at <https://www.essity.com/investors/debt-financing/debt-programmes/> and

<https://www.essity.com/investors/reports/> and on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

The tables below set out the relevant page references of each of the following documents incorporated by reference in this Base Prospectus. Any information not listed in the tables below but included in the documents incorporated by reference is not incorporated by reference.

(a) **2021 Essity Financial Statements**

Consolidated Income Statement .....	Page 68
Consolidated Statement of Change in Equity.....	Page 69
Consolidated Cash Flow Statement.....	Page 71
Consolidated Balance Sheet .....	Page 73
Financial Notes .....	Pages 74 – 116
Auditor's Report.....	Pages 133 – 136

(b) **2022 Essity Financial Statements**

Consolidated Income Statement .....	Page 74
Consolidated Statement of Change in Equity.....	Page 75
Consolidated Cash Flow Statement.....	Page 77
Consolidated Balance Sheet .....	Page 80
Financial Notes .....	Pages 81 – 131
Auditor's Report.....	Pages 149 – 152

(c) **Q1 Essity Financial Statements**

Consolidated Income Statement .....	Page 12
Consolidated Statement of Change in Equity.....	Page 13
Consolidated Cash Flow Statement.....	Page 14
Consolidated Balance Sheet .....	Pages 16 – 17
Financial Notes .....	Page 20

(d) **2021 Essity Capital Financial Statements**

Statement of Profit and Loss .....	Page 5
Statement of Comprehensive Income.....	Page 5
Statement of Financial Position.....	Page 6
Statement of Changes in Equity .....	Page 7
Cash Flow Statement .....	Page 8
Financial Notes .....	Pages 9 - 20
Auditor's Report.....	Pages 22 - 28

(e) **2022 Essity Capital Financial Statements**

Statement of Profit and Loss .....	Page 7
Statement of Comprehensive Income.....	Page 7
Statement of Financial Position.....	Page 8
Statement of Changes in Equity .....	Page 9
Cash Flow Statement .....	Page 10
Financial Notes .....	Pages 11 - 23
Auditor's Report.....	Pages 26 - 33

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Global Note**") which, in either case, will:

- (i) if the Global Notes (as defined in the Conditions) are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream Luxembourg; and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note, if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent (as defined in the Conditions).

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

If the Specified Denomination of the Notes stated in the Final Terms includes language substantially to the following effect: "*€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000*", the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes, or by a Permanent Global Note exchangeable for Definitive Notes other than in the following limited circumstances:

- (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (ii) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be)) of the Permanent Global Note without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the

Permanent Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Exchange of Talons*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined in the Conditions), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant dated 7 May 2021 entered into by Essity (the "**Essity Deed of Covenant**") and a deed of covenant dated 7 May 2021 entered into by Essity Capital (the "**Essity Capital Deed of Covenant**") and, together with the Essity Deed of Covenant, the "**Deeds of Covenant**").



## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "EU Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "FSMA") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "distributor")/[distributor] should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital

markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018.]

[Date]

**[Essity Aktiebolag (publ)] / [Essity Capital B.V.]**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**[Guaranteed by Essity Aktiebolag (publ)]**  
**under the euro 6,000,000,000**  
**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the base prospectus dated 5 May 2023 [and the supplement[s] thereto dated [•]] (the "**Base Prospectus**"), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2017//2020/2021] terms and conditions (the "**Conditions**") set forth in the base prospectus dated [10 March 2017/7 May 2020/7 May 2021]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated 5 May 2023 [and the supplements thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated [10 March 2017/7 May 2020/7 May 2021] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Regulation.]

[The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.]

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.]

The Base Prospectus and the documents incorporated by reference are published on Essity Aktiebolag (publ)'s website at <https://www.essity.com/investors/debt-financing/debt-programmes/> and <https://www.essity.com/investors/reports/>. In the case of Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

1. (i) Series Number: [•]
  - (ii) Tranche Number: [•]
  - [(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [•]].]
2. Specified Currency or Currencies: [•]

3. Aggregate Nominal Amount:
- (i) [Series: [•]]
- (ii) [Tranche: [•]]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
7. Maturity Date: [*Specify date or (for Floating Rate Notes) the Interest Payment Date falling in or nearest to the relevant month and year*]
8. Interest Basis: [[•] per cent. Fixed Rate]
- [[EURIBOR/STIBOR] +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- [Not Applicable]
- (further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par] [Instalment]
10. Change of Interest Basis: [Not Applicable] / [From [insert date / Interest Payment Date] onwards the interest rate basis for payments shall be [•]]
11. Put/Call Options: [Investor Put]
- [Change of Control Put Option]
- [Issuer Call]
- [Make-Whole Redemption] [Issuer Clean-up Call]
- [Special Redemption Event (Issuer Call)]
- [Not Applicable]
- (further particulars specified below)
12. Date [Board] approval for issuance of Notes obtained: [•]
13. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (*If not applicable, delete the remaining subparagraphs of this paragraph*)

- |        |  |   |
|--------|--|---|
| (i)    | Rate(s) of Interest:   | [•] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  |
| (ii)   | Interest Payment Date(s):  | [•] in each year up to and including the Maturity Date  |
| (iii)  | Fixed Coupon Amount(s):  | [•] per Calculation Amount  |
| (iv)   | [Party responsible for calculating the Fixed Coupon Amount(s):                                 | [The Issuing and Principal Paying Agent/ The Calculation Agent]   |
| (v)    | Broken Amount(s):  | [[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]]  |
|        |  | [Not Applicable]  |
| (vi)   | Day Count Fraction:  | [30/360/Actual/Actual (ICMA)/ Actual/365 (Fixed)]   |
| (vii)  | Determination Date(s):   | [[•] in each year]  |
|        |  | [Not Applicable]  |
| 15.    | <b>Floating Rate Note Provisions</b>   | [Applicable/Not Applicable]   |
|        |  | <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>  |
| (i)    | Specified Period(s)/Specified Interest Payment Dates:  | [•]   |
| (ii)   | Business Day Convention:   | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]           |
| (iii)  | Additional Business Centre(s):   | [Not Applicable/[•]]  |
| (iv)   | Manner in which the Rate of Interest and Interest Amount is to be determined:                  | [Screen Rate Determination]   |
| (v)    | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): | [Not Applicable/[•]]  |
| (vi)   | Screen Rate Determination:   | [Applicable/Not Applicable]   |
|        | • Reference Rate:  | [EURIBOR/STIBOR]  |
|        | • Interest Determination Date(s):  | [•]   |
|        | • Relevant Screen Page:  | [•]   |
| (viii) | Linear interpolation   | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] |
| (ix)   | Margin(s):   | [+/-] [•] per cent. per annum   |
| (x)    | Minimum Rate of Interest:  | [[•] per cent. per annum]   |

- [Not Applicable]
- (xi) Maximum Rate of Interest: [[•] per cent. per annum]  
[Not Applicable]
- (xii) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/Actual  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
360/360  
Bond Basis  
30E/360  
Eurobond Basis  
30E/360 (ISDA)]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

**PROVISIONS RELATING TO REDEMPTION**

17. **Issuer Call:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount: [[•] per Calculation Amount] / [Make-Whole Redemption]  
  
(further particulars specified below)
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [[•] per Calculation Amount/Not Applicable]
- (b) Maximum Redemption Amount: [[•] per Calculation Amount/Not Applicable]
- (iv) Notice period (if other than as set out in the Conditions): [Not Applicable/[•]]
18. **Make-Whole Redemption:** [Applicable]/[Applicable from, and including, [•] to, but excluding the Par Call Commencement Date. The Par Call Period is applicable in the period from and including the Par Call Commencement Date to but excluding [•]. During the Par Call Period the Notes will be redeemed at par.]/[Not Applicable]  
  
*(If Par Call Period is applicable, the security selected for the purposes of the DA Selected Bond shall have a tenor up to the Par Call Commencement Date. If Par*

*Call Period is not applicable, such security shall have a tenor up to the Maturity Date)*

- (i) Make-Whole Redemption Margin: [•]
  - (ii) Reference Bond: [[•]/DA Selected Bond/Not Applicable]
  - (iv) Par Call Commencement Date: [•]
  - (v) Quotation Time: [•]
19. **Issuer Clean-up Call** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Minimum Percentage: [•]
  - (ii) Notice period (if other than as set out in the Conditions): [Not Applicable/[•]]
20. **[Special Redemption Event (Issuer Call)]** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Acquisition Target: [•]
  - (ii) Special Redemption Longstop Date: [•]
  - (iv) Special Redemption Amount: [•]
  - (iii) Special Redemption Option Period: The period from [•]/ [the Issue Date]] to [•]/the Special Redemption Longstop Date
- (Consideration should be given by the Managers as to whether a supplement to the Base Prospectus is required prior to the inclusion of the Special Redemption Event (Issuer Call))*
21. **Investor Put:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount: [[•] per Calculation Amount]
  - (iii) Notice period (if other than as set out in the Conditions): [Not Applicable/[•]]
22. **Change of Control Put Option** [Applicable/Not Applicable]
23. **Final Redemption Amount:** [[•] per Calculation Amount]
24. **Early Redemption Amount:** [[•] per Calculation Amount]

Early Redemption Amount payable on redemption for taxation reasons or on event of default:

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. **Form of Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
26. New Global Note Form: [Applicable/Not Applicable]
27. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/[•]]
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
29. Details relating to Instalment Notes:
- (i) [Instalment Amount(s): [Not Applicable/[•]]
- (ii) [Instalment Date(s): [Not Applicable/[•]]
30. Redenomination applicable: Redenomination [not] applicable
31. Calculation Agent: [Not Applicable/The Issue and Paying Agent/[•]]
32. Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*].
- As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation, as amended]/
- [As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmarks Regulation, as amended]/
- [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/
- [Not Applicable]

**DISTRIBUTION**

- 33. If syndicated, names and addresses of Managers and underwriting comments: [Not Applicable/*give names, addresses and underwriting comments*]
- 34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/*give name and address*]

**THIRD PARTY INFORMATION**

[[Relevant third party information has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable].

**SIGNED** on behalf of [ESSITY AKTIEBOLAG (PUBL)]/[ESSITY CAPITAL B.V.] as Issuer:

By: .....

*Duly authorised*

[**SIGNED** on behalf of  
**ESSITY AKTIEBOLAG (PUBL)]** as Guarantor:

By: .....

*Duly authorised]*



## PART B – OTHER INFORMATION

### 1. LISTING & ADMISSION TO TRADING

- (i) Listing and Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange] with effect from [•].][•]/[Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [Not Applicable/[•]]

### 2. RATINGS

- Ratings: [The Notes to be issued have not been rated.]
- [The Notes to be issued [[have been]/[are expected to be]] rated:]
- [S&P Global Ratings Europe Limited: [•]]
- [Moody's Deutschland GmbH: [•]] [[Other]: [•]]
- [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [•].]
- [•] [insert a brief explanation of the rating of the Notes if rate]

***Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act

2018 the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority]. [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>. *[The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part UK of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the "UK CRA Regulation").]* *[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the "**UK CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity providing rating]* has not been certified under Regulation (EU) No 1060/2009, as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on *[FCA]*. *[The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Notes to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation").]* *[[Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity*

providing rating] has not been certified under Regulation (EU) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

***Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [[insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][[insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

***Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation AND/OR under the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**")][and] [Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

***Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EU) No 1060/2009 as it forms part of UK domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business]/[Not Applicable]/[•].

4. **USE OF PROCEEDS AND ESTIMATED NET AMOUNT OF PROCEEDS**

Use of Net Proceeds: [The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes]/[•]

Estimated net amount of proceeds: [•]

5. **YIELD** (*Fixed Rate Notes Only*)

Indication of yield: [Not Applicable]/[•]

6. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) FISN: [[•], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively source from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) CFI Code: [[•] as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively source from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

*(If the FISN and/or CFI code is not required or requested, it/they should be specified to be "Not Applicable")*

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [Not Applicable]/[•]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility [Yes/No]  
[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either

upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## TERMS AND CONDITIONS OF THE NOTES

The following are the Conditions of the Notes which will be inserted by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

### 1. Introduction

- (a) *Programme:* Essity Aktiebolag (publ) ("**Essity**") and Essity Capital B.V. ("**Essity Capital**") (the "**Issuers**" and each an "**Issuer**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 6,000,000,000 in aggregate principal amount of notes (the "**Notes**") unconditionally and irrevocably guaranteed by Essity, in respect of Notes issued by Essity Capital only, (in such capacity, Essity is referred to as the "**Guarantor**"). References herein to the "Issuer" shall be references to whichever of Essity and Essity Capital is specified as the Issuer in the applicable Final Terms (as defined below). If the relevant Issuer of a Series of Notes is Essity, references herein to "Guarantor" and "Guarantee of the Notes", and related expressions, are not applicable and shall be disregarded in respect of such Series.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. A Tranche of Notes will be identical in all respects (including as to listing and admission to trading) and a Series will include any further Tranche(s) of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for Issue Dates, Interest Commencement Dates and/or Issue Prices. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 6 May 2022 and made between each of Essity, Essity Capital, Citibank, N.A., London Branch as issuing and principal paying agent (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).
- (d) *Deeds of Covenant:* The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant dated 7 May 2021 entered into by Essity (the "**Essity Deed of Covenant**") and a deed of covenant dated 7 May 2021 entered into by Essity Capital (the "**Essity Capital Deed of Covenant**" and, together with the Essity Deed of Covenant, the ("**Deeds of Covenant**").
- (e) *Deed of Guarantee:* Pursuant to a deed of guarantee dated 7 May 2021 entered into by the Guarantor (the "**Deed of Guarantee**") the Guarantor has irrevocably and unconditionally agreed to guarantee the obligations of Essity Capital under and in relation to Notes issued by it (the "**Guarantee of the Notes**").
- (f) *Interpretation:* References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency; (ii) any Global Note; and (iii) any definitive Notes issued in exchange for a Global Note.

Interest bearing definitive Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue. Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deeds of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement

- (g) *Copies*: Copies of the Agency Agreement and the Deeds of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available during normal business hours for viewing at the specified office of each of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.

## 2. **Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. This Note may be an Instalment Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance



with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

3. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Status and Guarantee*)) unsecured obligations of the Issuer which will at all times rank at least *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
- (b) *Status of the Guarantee:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Guarantee of the Notes constitutes a direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Status and Guarantee*)) unsecured obligation of the Guarantor which will at all times rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

4. **Negative Pledge**

- (a) So long as any of the Notes remain outstanding, neither the Issuer nor, if applicable, the Guarantor shall, and each of the Issuer and the Guarantor shall procure that no Principal Subsidiary shall, create or permit to subsist any mortgage, pledge, lien, charge or other security interest upon the whole or any part of their respective present or future undertakings, assets or revenues (including any uncalled capital), to secure any (i) existing or future Relevant Indebtedness or (ii) guarantee or indemnity in respect of any existing or future Relevant Indebtedness of a third party, without in any such case at the same time according to the Notes or Guarantee of the Notes (as applicable) either (x) the same security as is granted to or is outstanding in respect of such Relevant Indebtedness or (y) such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, **provided, however that** the foregoing restrictions shall not apply to:
  - (i) any Security Interest existing on any property or asset prior to the acquisition thereof by the Issuer or the Guarantor, if applicable, or any Principal Subsidiary or existing on any property or asset of any Person that becomes a Principal Subsidiary after the date hereof prior to the time such Person becomes a Principal Subsidiary, **provided that** (i) such Security Interest is not created in contemplation of or in connection with such acquisition or such Person becoming a Principal Subsidiary, as the case may be, (ii) such Security Interest shall not apply to any other property or assets of the Issuer or the Guarantor, if applicable, or any Principal Subsidiary and (iii) such Security Interest shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Principal Subsidiary, as the case may be and extensions, modifications, renewals and replacements thereof do not increase the principal amount thereof; and
  - (ii) Security Interests arising from any Project Finance Debt.

For the purposes of the Conditions:

**"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, government authority or other entity;

**"Principal Subsidiary"** means any Subsidiary of Essity:

- (i) of which the turnover or total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries and which, in the normal course, prepares consolidated accounts) represents not less than ten per cent. (10%) of the consolidated turnover or the consolidated total assets of Essity and its Subsidiaries determined by reference to the latest audited accounts; or
- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Essity which immediately before the transfer is a Principal Subsidiary,

excluding any Subsidiary at least ten per cent. (10%) of whose equity share capital is listed on a recognised stock exchange and which has no debt outstanding which is guaranteed by Essity all as more particularly defined in the Agency Agreement.

A report of independent auditors appointed by Essity that in their opinion a Subsidiary of Essity is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

**"Project Finance Debt"** means any indebtedness incurred in relation to any asset solely for purposes of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to whom such indebtedness is owed have recourse solely to the applicable project borrower (where such project borrower is formed solely or principally for the purpose of the relevant project) and/or to such asset (or any derivative asset thereto) or any other similar non-recourse indebtedness which is properly regarded as project finance debt;

**"Relevant Indebtedness"** means any loan or other indebtedness in the form of, or represented or evidenced by, notes, bonds, debentures or other securities which are, or are to be, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

**"Subsidiary"** means a subsidiary within the meaning of the Swedish Companies Act (2005:551).

## 5. Interest

- (a) *Interest on Fixed Rate Notes:*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form, where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a) (*Interest on Fixed Rate Notes*):

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; and
- (iii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**"Determination Period"** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Notes:*

(i) Interest Payment Dates:

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (C) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) above shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
  - (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
  - (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) *Rate of Interest (Screen Rate Determination):*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if no offered quotation appears or fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer (or the Determination Agent) shall request each of the Reference Banks to provide Issuer (or the Determination Agent) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question and the Issuer (or Determination Agent) shall notify the Principal Paying Agent of all such quotations received. If two or more of the Reference Banks provide the Issuer (or the Determination Agent) with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or the Determination Agent) with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer (or the Determination Agent) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer (or the Determination Agent) with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer (or the Determination Agent) it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR or STIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

For the purposes of this Condition, "**Reference Banks**" means, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer.

(iii) *Linear Interpolation:*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight-line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option, where:

- (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

*provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Agent shall calculate the Rate of Interest at such time and by reference to such sources the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner.

(iv) *Minimum Rate of Interest and/or Maximum Rate of Interest:*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(v) *Determination of Rate of Interest and calculation of Interest Amounts:*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest in respect of Floating Rate Notes for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b) (*Interest on Floating Rate Notes*):

- (1) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (2) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (3) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (4) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (6) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;



- (7) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(vi) *Benchmark Replacement:*

Notwithstanding the provisions above in this Condition 5 (*Interest*), if the Issuer (in consultation with the Determination Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)) determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination of a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and an Adjustment Spread (if applicable) no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(b)(vi));
- (B) the Alternative Benchmark Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5(b)(vi) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;
- (C) if (i) the Issuer is unable to appoint an Independent Adviser or (ii) if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Benchmark Rate prior to the IA

Determination Cut-off Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 5(b)(vi)(C) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 5(b)(vi);

- (D) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with Condition 5(b)(vi)(A) or 5(b)(vi)(B), such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(b)(vi);
- (E) if the Independent Adviser, following consultation with the Issuer and acting in good faith, determines that (1) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (F) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser may also specify changes to the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(b)(vi)); and
- (G) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to sub-paragraph (F) above to the Determination Agent, the Paying Agent and the holders of Notes.

For the purposes of these Conditions,

**"Adjustment Spread"** means either a spread (which may be positive or negative) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant

Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the

replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

- (B) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Benchmark Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate;
- (C) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Benchmark Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Benchmark Rate (as the case may be).

**"Benchmark Event"** means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will be, by a specified future date (the "**Specified Future Date**"), no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or

- (F) it has or will, by a specified date within the following six months, become unlawful for the Determination Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D) or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

- (vii) *Certificates to be final:*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) (*Interest on Floating Rate Notes*), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent in connection with the exercise or nonexercise by it of its powers, duties and discretions pursuant to such provisions.

- (c) *Fixed/Floating Rate Notes:*

This Condition 5(c) (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable. The Issuer may issue Notes (i) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (ii) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms.

(d) *Accrual of interest:*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

For the purposes of the Conditions:

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate); and

"**STIBOR**" means, in respect of Swedish Kronor and for any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently Swedish Financial Benchmark Facility) based on estimated interbank borrowing rates for Swedish Kronor for a number of designated maturities which are provided by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor).

6. **Payments**

(a) *Method of payment: Subject as provided below:*

- (i) Payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively).
- (ii) Payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

(b) *Presentation of definitive Notes, Receipts and Coupons:*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement)

of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in respect of Global Notes:*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States.

A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General provisions applicable to payments:*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his

share of each payment so made by the Issuer or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day:*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the case of Notes in definitive form only, the relevant place of presentation;
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) *Interpretation of principal and interest:*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;

- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(g) (*Early Redemption Amounts*)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

For the purposes of the Conditions, "**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount (being 100 per cent. of the principal amount or higher) as may be specified in the relevant Final Terms.

## 7. **Redemption and Purchase**

### (a) *Redemption at maturity:*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date.

### (b) *Redemption for tax reasons:*

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if this Note is not a Floating Rate Note); or
- (ii) on any Interest Payment Date (if this Note is a Floating Rate Note),

on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Sweden or the Netherlands, as applicable, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer; or
- (ii) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Sweden or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Guarantor,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) 90 days prior to the earliest date on which the Issuer or (as the case may be) the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or



- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or (as the case may be) the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall make available to the Noteholders (1) copies of a certificate signed by two directors of the Issuer or (as the case may be) two directors of the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7(g) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call):*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If Make-Whole Redemption is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or, if so provided, some only of the Notes at any time or from time to time (a) where no particular period during which Make-Whole Redemption is applicable is specified, prior to their Maturity Date, or (b) where Make-Whole Redemption is specified as only being applicable for a certain period, during such period, in each case on the date for redemption specified in such notice (the "**Make-Whole Redemption Date**") at the Make-Whole Redemption Amount. The Make-Whole Redemption Amount will be calculated by the Determination Agent and will be:

- (i) the greater of (x) 100 per cent. of the principal amount of the Notes so redeemed and (y) the sum of the then present values of each remaining scheduled payments

of principal and interest on such Notes to maturity or, if Par Call Period is specified in the applicable Final Terms, to the Par Call Commencement Date (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin, if any, specified in the applicable Final Terms; and

- (ii) in each case, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

All Notes in respect of which any such notice of redemption is given shall be redeemed on the date specified in such notice in accordance with this Condition.

Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the date fixed for redemption may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the date fixed for redemption, or by the date fixed for redemption so delayed.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

For the purposes of this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*):

"**DA Selected Bond**" means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable to either the remaining term of the Notes or, if Par Call Period is specified in the applicable Final Terms, the Par Call Commencement Date of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to either the remaining term of the Notes or, if Par Call Period is specified in the applicable Final Terms, the Par Call Commencement Date of the Notes;

"**Determination Agent**" means a financial adviser selected by the Issuer;

"**Make-Whole Redemption Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"**Par Call Commencement Date**" shall be the first date, as set out in the relevant Final Terms, on which the Notes may be redeemed without a make whole redemption premium (which date shall be the Maturity Date if not otherwise specified);

"**Reference Bond**" shall be as set out in the applicable Final Terms or the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Date**" will be set out in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues; and

"**Reference Government Bond Dealer Quotations**" mean, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer.

(d) *Redemption at the option of the Issuer (Issuer Clean-up Call)*

If Issuer Clean-up Call is specified in the applicable Final Terms, in the event that Notes representing an aggregate amount equal to or exceeding the Minimum Percentage (as specified in the applicable Final Terms, being a percentage of the initial aggregate principal amount of that particular Series of Notes (including any Notes which have been consolidated and form a single Series therewith)) have been purchased or redeemed and cancelled by the Issuer, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(e) *Redemption upon the occurrence of a Special Redemption Event (Issuer Call)*

If Special Redemption Event (Issuer Call) is specified as applicable in the relevant Final Terms, upon the occurrence of a Special Redemption Event, the Issuer may, on giving (i) not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 14 (*Notices*); and (ii) not less than 5 days' notice to the Paying Agent, in each case during the Special Redemption Option Period (as specified in the applicable Final Terms), at its option, redeem all (but not some only) of the Notes then outstanding at the Special Redemption Amount (as specified in the relevant Final Terms), together with any interest accrued to, but excluding, the date set for redemption.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition.

For the purposes of this Condition a "**Special Redemption Event**" shall be deemed to have occurred if Essity (i) has not completed and closed the acquisition of the Acquisition Target (as specified in the Final Terms) by the Special Redemption Longstop Date (as

specified in the Final Terms); or (ii) has published an announcement that it no longer intends to pursue the acquisition of the Acquisition Target.

(f) *Redemption at the option of the Noteholders (Investor Put):*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 15 nor more than 30 days' notice, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

(g) *Early Redemption Amounts:*

For the purpose of Condition 7(b) (*Redemption for tax reasons*) above and Condition 10 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (ii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

(h) *Instalments:*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7(g) (*Early Redemption Amounts*) above.

(i) *Purchases:*

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (**provided that**, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(j) *Cancellation:*

All Notes which are redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 7(i) (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(k) *Late payment on Zero Coupon Notes:*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7(a) (*Redemption at maturity*), (b) (*Redemption for tax reasons*), (c) (*Redemption at the option of the Issuer (Issuer Call)*), (d) (*Redemption at the option of the Issuer (Issuer Clean-up Call)*) or (e) (*Redemption upon the occurrence of a Special Redemption Event (Issuer Call)*) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7(g)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

(l) *Redemption at the option of Noteholders on change of control (Change of Control Put Option):*

If a Change of Control Put Option is specified in the relevant Final Terms as being applicable, and, if at any time while any Note remains outstanding (i) a Change of Control occurs and (ii) within the Change of Control Period (A) (if at the time that the Change of Control occurs the Notes are rated by a Rating Agency) a Rating Downgrade in respect of that Change of Control occurs, or (B) (if at such time the Notes are not rated) a Negative Rating Event in respect of that Change of Control occurs (in either case, a "**Put Event**"), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 7(b) (*Redemption for tax reasons*)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Put).

A **"Change of Control"** shall be deemed to have occurred at each time (whether or not approved by the board of directors or senior management of Essity) that any person (**"Relevant Person"**) or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time (A) directly or indirectly acquires more than 50 per cent. of the issued ordinary share capital of Essity, or (B) directly or indirectly acquires such number of the shares in the capital of Essity carrying more than 50 per cent. of the voting rights exercisable at general meetings of Essity, or (C) are able to give directions with respect to the operating and financial policies of Essity with which the directors are obliged to comply or (D) are able to appoint or remove all, or the majority of the directors or other equivalent officers of Essity, **provided that** a Change of Control shall not be deemed to have occurred: (i) if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control were, all of the shareholders of Essity.

**"Change of Control Period"** means the period ending 180 days after the Relevant Announcement Date (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

**"Investment Grade Rating"** means a rating of BBB- by S&P or Baa3 by Moody's or their equivalent for the time being, or better.

A **"Negative Rating Event"** shall be deemed to have occurred if (i) the Issuer does not on or before the 45<sup>th</sup> Business Day after the relevant Change of Control seek, and use all reasonable endeavours to obtain from a Rating Agency, a rating in respect of the Notes or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, **provided that** the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result, in whole or in part, of the applicable Change of Control.

**"Rating Agency"** means each of S&P Global Ratings, a division of The McGraw- Hill Companies, Inc. (**"S&P"**) and Moody's Investors Service Limited (**"Moody's"**) and their successors or any other rating agency of equivalent international standing specified from time to time by Essity.

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an Investment Grade Rating to a non-Investment Grade Rating (BB+ by S&P/Ba1 by Moody's, or their equivalent for the time being, or worse) or (z) (if the rating assigned to the Notes by any Rating Agency shall, immediately prior to the Change of Control Period, be below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or Ba1 to Ba2 by Moody's or such similar lower or equivalent rating), **provided that** a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

**"Relevant Announcement Date"** means the date that is the earlier of (a) the date of the first public announcement of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any).

**"Relevant Potential Change of Control Announcement"** means any public announcement or statement by or on behalf of Essity, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change

of Control where within 90 days following the date of such announcement or statement, a Change of Control occurs.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 7(l) (*Redemption at the option of Noteholders on change of control (Change of Control Put Option)*).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 7(l) (*Redemption at the option of Noteholders on change of control (Change of Control Put Option)*) the holder of that Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note, on any Payment Day (as defined in Condition 6 (*Payments*)) in the city of the specified office of the relevant Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Option Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 7(l) (*Redemption at the option of Noteholders on change of control (Change of Control Put Option)*). The Note should be delivered together with all Coupons appertaining thereto maturing after the date (the "**Optional Redemption Date (Put)**") which is the seventh day after the last day of the Put Period, failing which an amount will be deducted from the payment to be made by the Issuer on redemption or, as the case may be, purchase of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7(l) (*Redemption at the option of Noteholders on change of control (Change of Control Put Option)*) the holder of the Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

The Paying Agent to which such Note and Put Option Notice are delivered or the Agent, as the case may be, will issue to the holder concerned a non-transferable receipt (a "**Put Option Receipt**") in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, notice so received. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date (Put) by transfer to that bank account and in every other case on or after the Optional Redemption Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 7(l) (*Redemption at the option of Noteholders on change of control (Change of Control Put Option)*).

## 8. **Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or, if applicable, the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or the Netherlands, as applicable, or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event,

the Issuer or (as the case may be) the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with Sweden or the Netherlands, as applicable, other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(e) (*Payment Day*)); or
- (c) where such withholding or deduction is imposed pursuant to the Luxembourg law of 23 December 2005 (as amended) on the taxation of income received by individuals resident in Luxembourg; or
- (d) where such withholding or deduction is imposed pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of 27 December 2019; or
- (e) by a Holder which is liable any such withholding or deduction imposed or required pursuant to an agreement described in Section 1471(b) of the Code or otherwise pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

Notwithstanding anything to the contrary in these Conditions of the Notes, none of the Issuer, the Guarantor (if applicable), any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or with respect to any Note pursuant to Section 1471 to 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**"), any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Issuer, the Guarantor (if applicable), a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

#### 9. **Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) (*Presentation of definitive Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 6(b).



10. **Events of Default**

(a) *Events of Default:*

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

- (i) *Failure to Pay:* the Issuer or, as the case may be, the Guarantor fails to pay any amount of principal or interest due in respect of the Notes or any of them and such default continues for the period of five business days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (ii) *Other Obligations:* the Issuer or the Guarantor fails to perform or observe any of its other obligations under or in respect of the Conditions or the Guarantee of the Notes and (except in any case where such failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 business days next following the service by a Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

(iii) *Cross Acceleration:*

- (a) any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Material Subsidiary, is declared, due and payable prior to its scheduled maturity as a result of a default thereunder;
- (b) any Indebtedness for Borrowed Money of the Issuer, the Guarantor or any Material Subsidiary, is not paid when due and called upon or within any originally applicable grace period therefor;
- (c) any security given by the Issuer, the Guarantor or any Material Subsidiaries, for any Indebtedness for Borrowed Money is enforced;

**provided that** no such event shall constitute an Event of Default unless (A) the aggregate amount of such Indebtedness for Borrowed Money or other relative liability in respect of which any of the events mentioned in this paragraph (iii) have occurred and have not been satisfied exceeds EUR 50,000,000 (or its equivalent in other currencies) and (B) such indebtedness is not contested in good faith by appropriate means and further **provided that** none of the events mentioned in this paragraph (iii) shall constitute an Event of Default where they arise in respect of a recently acquired Material Subsidiary as a direct result of such acquisition; or

- (iv) *Winding-up:* if any order is made by any competent court or resolution passed for the winding-up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary (save, in the case of the Issuer or the Guarantor, for the purposes of a reorganisation on terms previously approved by an Extraordinary Resolution, or, in the case of a Material Subsidiary, for the purposes of a reorganisation whilst solvent) and in either case save where the action giving rise to such events is being contested in good faith and by all appropriate means; or
- (v) *Cessation of Business and Insolvency:* if the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business, (save, in the case of the Issuer or the Guarantor, for the purposes of a reorganisation on terms previously approved by an Extraordinary Resolution or, in the case of a Material Subsidiary, for the purposes of a reorganisation whilst solvent), or the Issuer, the Guarantor or any Material Subsidiary, stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (vi) *Execution or Distress*: if (a) proceedings are initiated against the Issuer, the Guarantor or any Material Subsidiary, under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any Material Subsidiary, or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (b) in any case (other than the appointment of an administrator) is not discharged within 30 days; or
- (vii) *Rescheduling*: if the Issuer, the Guarantor or any Material Subsidiary, initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with any one or more of its creditors with a view to the general readjustment or rescheduling of the indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (viii) *Repudiation*: the Issuer repudiates its obligations in respect of the Notes or the Guarantor repudiates its obligations under the Deed of Guarantee, or the Issuer or the Guarantor causes to be done any act or thing which evidences any intention to repudiate such obligations; or
- (ix) *Validity and Admissibility*: at any time any act, condition or thing required to be done, fulfilled or performed in order (a) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (b) to ensure that those obligations are legal, valid binding and enforceable or (c) to make the Notes and the Coupons admissible in evidence in the jurisdiction of its incorporation is not done, fulfilled or performed; or
- (x) *Analogous Events*: any event occurs which under the laws of any jurisdiction has a similar or analogous effect to any of those events mentioned in Condition 10(iv) (*Winding-up*), (v) (*Cessation of Business and Insolvency*), (vi) (*Execution or Distress*) and (vii) (*Rescheduling*) above; or
- (xi) *Essity Capital*: if, in the case of Notes issued by Essity Capital, it ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by Essity; or
- (xii) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Noteholder may, by written notice addressed by the Noteholder to the Issuer and, if applicable, the Guarantor at the specified office of the Agent, effective upon the date of receipt by the Agent, declare any Note held by it to be immediately due and payable, whereupon it shall become immediately due and payable at its Early Redemption Amount together with accrued interest (if any) to the date of repayment without further action or formality of any kind.

(b) *Definitions:*

For the purposes of the Conditions:

**"Indebtedness for Borrowed Money"** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures,

debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit;

"**Material Subsidiary**" means any Subsidiary of Essity:

- (A) of which the turnover or total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries and which, in the normal course, prepares consolidated accounts) represents not less than ten per cent. (10%) of the consolidated turnover or the consolidated total assets of Essity and its Subsidiaries determined by reference to the latest audited accounts; or
- (B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Essity which immediately before the transfer is a Principal Subsidiary,

all as more particularly defined in the Agency Agreement.

A report by two directors of Essity that in their opinion a Subsidiary of Essity is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties. Such report may, if requested, be accompanied by a report from the auditors of Essity addressed to the directors of Essity as to proper extraction of figures used by the directors of Essity in determining a Material Subsidiary as to mathematical accuracy of the calculations.

11. **Replacement of Notes, Receipts, Coupons And Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. **Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, **provided that:**

- (a) there will at all times be an Agent; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(d) (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. **Notices**

All notices regarding the Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange, <http://www.luxse.com>, and in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. **Meetings of Noteholders, Modification And Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and, if applicable, the Guarantor (acting together) and shall be convened by the Issuer and, if applicable, the Guarantor (acting together) if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent, the Issuer and, if applicable, the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is in the reasonable opinion of the Issuer not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is in the reasonable opinion of the Issuer of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

#### 16. **Substitution**

The Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, Essity (where the Issuer is not already Essity) or a Subsidiary of Essity (the "**Substitute**") in the manner specified in the Agency Agreement, **provided that** no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (i) the Substitute shall have become party to the Agency Agreement *mutatis mutandis*, as if it had been an original party thereto and the Substitute shall enter into a deed of covenant on the same terms as the applicable Deed of Covenant, *mutatis mutandis*;
- (ii) where the Substitute is not Essity, the obligations of the Substitute under the Deed Poll, the Agency Agreement, the applicable Deed of Covenant, the Notes and the Coupons (together, the "**Documents**") shall be unconditionally and irrevocably guaranteed by Essity substantially in the form of the Deed of Guarantee;
- (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Agency Agreement, the applicable Deed of Covenant, the Notes and Coupons, *mutatis mutandis* represent legal, valid, binding and enforceable obligations of the Substitute and in the case of the Deed Poll have been taken, fulfilled and done and are in full force and effect;
- (iv) where the Substitute is incorporated, domiciled or resident for taxation purposes in a territory other than Sweden or the Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 9 (*Prescription*) with the substitution of the references Sweden or the Netherlands, as applicable, with references to the territory in which the Substitute is incorporated, domiciled and/or resident for taxation purposes;
- (v) the Substitute, if incorporated in a jurisdiction other than England, shall have appointed an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 19(b) (*Submission to jurisdiction*)) in England;
- (vi) each listing authority and stock exchange (if any) on which the Notes are then admitted to listing or trading shall have confirmed that, following the proposed substitution, the Notes will be admitted to listing or trading by such listing authority or stock exchange;
- (vii) a copy of legal opinions, subject to customary assumptions and qualifications, addressed to Essity and the Substitute, as applicable, shall have been delivered to the Agent from a lawyer or firm of lawyers (a) in the jurisdiction of incorporation of the Substitute, to the effect that the Substitute has the capacity and authority to enter into the Documents and perform the obligations set out therein, and has obtained all necessary corporate or other approvals to assume all such obligations; (b) in the jurisdiction of incorporation of Essity

to the effect that it has the capacity and authority to enter into a deed of guarantee and perform the obligations set out therein, and has obtained all necessary corporate or other approvals to assume all such obligations, if a guarantee is required pursuant to (ii) above, and (c) in England to the effect that the Documents and the deed of guarantee, if applicable, (to the extent to which each is a party) constitute legal, valid, binding and enforceable obligations of the Substitute and/or Issuer, as applicable; and

- (viii) the Issuer shall have given at least 14 days' prior notice in accordance with Condition 14 (*Notices*) of such substitution to the Noteholders stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

17. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. **Governing Law and Submission To Jurisdiction**

(a) *Governing law:*

The Agency Agreement, the Deeds of Covenant, the Deed of Guarantee, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction:*

Each of the Issuer and the Guarantor agrees for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

Each of the Issuer and the Guarantor hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer or the Guarantor (if applicable) in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not to the extent that the bringing of such proceedings is not contrary to relevant law.

(c) *Appointment of Process Agent:*

Each of the Issuer and the Guarantor appoints Essity UK Holdings Limited at its registered office at Southfields Road, Dunstable, Bedfordshire LU6 3EJ (Attention: The Secretary) as its agent for service of process, and undertake that, in the event of Essity UK Holdings Limited ceasing so to act or ceasing to be registered in England, they will appoint another person as their agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) *Other documents:*

Each of the Issuer and the Guarantor has (in respect of the documents to which they are a party) in the Agency Agreement, the Deed of Guarantee and the Deeds of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## USE OF PROCEEDS

An amount equal to the net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes unless, in respect of an issue of Notes, there is a particular identified use of proceeds, in which case the use of proceeds will be stated in the applicable Final Terms.

If Special Redemption Event (*Issuer Call*) is specified in the Final Terms as "Applicable", the use of proceeds for acquisition consideration, directly or indirectly, in whole or in part, and related fees will be stated in the applicable Final Terms. The Final Terms may also state the potential use for general corporate purposes or other purposes if the Special Redemption Event occurs but the relevant Issuer elects not to exercise the Special Redemption Event (*Issuer Call*).



## DESCRIPTION OF ESSITY AND THE GROUP

### Overview of the Group

Essity is a leading global hygiene and health company that develops, produces and sells products and solutions within the following business areas; Health & Medical, Consumer Goods and Professional Hygiene. Sales are conducted in about 150 countries under many strong brands, including the leading global brands TENA and Tork, and other brands, such as JOBST, Knix, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, TOM Organic, Vinda and Zewa. For 2022 the Company reported net sales of SEK 156 billion. Europe is Essity's largest market and the Company also holds strong positions in North America, Latin America and Asia. Essity has its headquarters in Stockholm, Sweden and had approximately 48,000 employees as of December 31, 2022. As of 31 December 2022, the Group had a market capitalisation of SEK 192 billion.

Essity is the parent company in the Group, holding directly or indirectly a large number of operating and other subsidiaries established in countries worldwide (including but not limited to Europe, North America, Latin America and Asia). Essity is a listed company at Nasdaq Stockholm ("**Nasdaq**"), with its shares admitted to trading at the exchange's main market. Subject to the rules and regulations of Nasdaq, Essity is not directly or indirectly owned or controlled. As of 31 March 2023, Essity's top ten largest shareholders were:

	<b>No. of A Shares</b>	<b>No. of B Shares</b>	<b>Votes (%)</b>	<b>Holding (%)</b>
AB Industrivärden	33,257,000	38,400,000	29.6	10.2
Norges Bank Investment Management	5,810,262	25,376,510	6.7	4.4
AMF Försäkring & Fonder	7,250,000	8,922,975	6.5	2.3
MFS Investment Management	0	35,039,178	2.8	5.0
Swedbank Robur Fonder	0	31,097,911	2.5	4.4
Skandia	2,007,876	4,040,323	1.9	0.9
Handelsbanken Fonder	0	18,210,962	1.4	2.6
Nordea Investment Funds	0	12,145,395	1.0	1.7
SCA AB's och Essity Aktiefolags (publ) Personalstiftelser	982,845	74,406	0.8	0.1
Folksam	0	8,564,290	0.7	1.2

Essity Capital B.V. is a fully owned subsidiary of Essity, established in the Netherlands for the sole purpose of being an issuer of debt instruments or to engage, where relevant, in other treasury related operations.

### Business Areas

Essity is active in an attractive hygiene and health market with leading market positions and strong brands in the company's three business areas: Health & Medical, Consumer Goods and Professional Hygiene. Within the respective business areas' customer and sales channels, Essity is broadening its solutions for improved well-being for customers and consumers and investing in long-term, rising value creation.

#### *Health & Medical*

The Health & Medical business area comprises the categories "Incontinence Products Health Care" and "Medical Solutions" that are sold to family caregivers, professional caregivers, patients and consumers via pharmacies, medical device stores, hospitals, distributors, care institutions and e-commerce.

In "Incontinence Products Health Care", with the globally leading brand TENA, Essity offers a broad range of incontinence products that also includes skincare products, wet wipes, wash gloves and digital solutions with sensor technology, with sales in the healthcare sector.

In the "Medical Solutions" category, Essity offers products and services in wound care, compression therapy and orthopedics.

In acute wound care, plasters and bandages for minor wound care are offered primarily under the Leukoplast brand. In advanced wound care, bandages and digital services for more severe wounds, such as chronic wounds, post-operative wounds and pressure sores, are offered under the Cutimed and Sorbact brands.

In compression therapy, compression garments are offered such as stockings and arm sleeves that can be used for medical and chronic conditions, during exercise or for longer trips to prevent swelling caused by the accumulation of fluid in the body.

Within orthopedics, solutions are offered for skeletal, muscular and joint injuries including casts, splints, athletic tape and leg and knee braces.

#### *Consumer Goods*

The Consumer Goods business area includes the categories "Incontinence Products Retail", "Baby Care", "Feminine Care" and "Consumer Tissue", which are sold via the retail trade and e-commerce sales.

In "Incontinence Products Retail", with the globally leading brand TENA, Essity offers a broad range of incontinence products including Lights by TENA for light incontinence and TENA for Men, incontinence products specially designed for men. Essity also sells leakproof apparel under the TENA, TENA for Men, Knix and Modibodi brands. For the Knix and Modibodi brands, the majority of sales are "direct-to-consumer". The TENA brand also has its own webshops developed to help Essity's consumers with information about incontinence and the solutions available, and to order and have products delivered.

In "Baby Care", Essity offers open baby diapers and pant diapers as well as baby care products such as wet wipes, shampoo, lotion and baby oil. In 2022, Essity launched a climate-smart diaper consisting of a washable cloth diaper and absorbent insert.

In "Feminine Care", Essity offers a broad product portfolio that includes pads, panty liners, tampons, intimate soaps, intimate wipes, leakproof apparel and menstrual cups.

In "Consumer Tissue", Essity offers toilet paper, household towels, handkerchiefs, facial tissues, wet wipes and napkins.

#### *Professional Hygiene*

The Professional Hygiene business area comprises the categories "Tissue, Services & Solutions", "Wiping & Cleaning" and "Soaps & Sanitizers" that are sold to companies and office buildings, universities, healthcare facilities, industries, restaurants, hotels, stadiums and other public venues – direct to the end-customer, e-commerce or via distributors.

With the globally leading Tork brand, Essity is the world's largest supplier of hygiene solutions in professional hygiene.

In "Tissue, Services & Solutions", Essity offers toilet paper, paper hand towels, napkins, reusable cloths, dispensers, service and maintenance, and digital solutions with sensor technology, such as Tork Vision Cleaning, data-driven cleaning.

In "Wiping & Cleaning", Essity offers wipers and cloths for keeping surfaces clean and disinfected. In 2022, Essity acquired the US company Legacy Converting, Inc. to expand its range of Wiping & Cleaning solutions and further strengthen its presence in the North American market.

In "Soaps & Sanitizers", Essity offers soaps, lotions, sanitizers and dispensers..

#### **Group History**

The Group was part of the Svenska Cellulosa Aktiebolaget SCA (publ) ("SCA") corporate group prior to the demerger of the Group from SCA in 2017, as further described below.

SCA was incorporated in Sweden on 14 June 1915 and from 1929 was a holding company for ten forest industry companies that produced sawn timber products and pulp used for paper production in northern Sweden. These companies continued to operate as independent units until 1954 when they were merged into one company, SCA. SCA was listed on the Stockholm Stock Exchange (Nasdaq Stockholm) in 1950.

SCA expanded into other business areas and expanded its geographic presence. SCA developed its business and formed a leading global hygiene and forest company. The hygiene business accounted for 86 per cent.

of the SCA group's 2016 net sales and the forest products business accounted for 14 per cent. for the same period.

In April 2017, the Annual General Meeting of SCA decided, in accordance with the Board of Directors' proposal, to distribute all shares in Essity (formerly known as SCA Hygiene AB (publ)) to SCA's shareholders. In June 2017, Essity was listed on Nasdaq and the Issuer's Class A and Class B shares commenced trading.

In April 2017, the acquisition of BSN medical was completed, a leading global medical solutions company. BSN medical develops, manufactures and sells products within wound care, compression therapy and orthopaedics. BSN medical is included in the business area Health & Medical and consolidated in the Group's financial statements.

### **The Group's strategy**

The Group's vision states that it is dedicated to improving well-being through leading hygiene and health solutions. The Group's mission is to sustainably develop, produce, market and sell value-added products and services within hygiene and health.

The Group's objectives are to:

- generate increased shareholder value through profitable growth;
- enable more people every day to enjoy a fuller life;
- contribute to a sustainable and circular society; and
- enable its employees to realise their full potential, as part of one winning team.

The Group's strategies are to:

- continue the transformation journey;
- innovate leading brands;
- accelerate digitalization;
- lead in sustainability; and
- grow in emerging markets.

### **Corporate Information**

Essity is a limited liability company operating under the laws of Sweden which was incorporated on 5 August 1988. Essity is registered in the Swedish Company Register (*Sw. Bolagsregistret*) – operated by the Swedish Companies Registration Office - with company number 556325-5511. The address of its registered office is P.O. Box 200, SE-101 23 Stockholm, Sweden and the phone number of the registered office is + 46 8 788 51 00.

### **Organisational Structure**

Essity is organised into four business units and three global units. The presidents of each of the business and global units form Essity's executive management team together with the chief executive officer and the heads of each staff function. Essity's five staff functions are "Communications", "Finance", "Human Resources", "Legal affairs" and "Strategy & Business Development".

Essity's four business units are as follows:

- *Consumer Goods Americas*

This business unit markets and sells products in the categories of "Consumer Tissue", "Baby Care", "Feminine Care" and "Incontinence Products Retail" in Latin America and North America.

- *Consumer Goods EMEA*  
This business unit markets and sells products in the categories of "Consumer Tissue", "Baby Care", "Feminine Care" and "Incontinence Products Retail" in Europe, the Middle East and Africa.
- *Health and Medical*  
This business unit markets and sells products in the category of "Incontinence Products Health Care" in Europe, North America, the Middle East and Africa, and markets and sells products in the category of "Medical Solutions" in Asia, Oceania, Europe, North America, Latin America, the Middle East and Africa.
- *Professional Hygiene*  
This business unit markets and sells complete hygiene solutions as well as service and maintenance in Europe, North America, Latin America the Middle East and Africa.

Essity's three global units are as follows:

- *Global Brand, Innovation and Sustainability*  
Global Brand, Innovation and Sustainability has global responsibility for customer and consumer brands, innovation and sustainability and public affairs.
- *Global Supply Chain*  
Global Supply Chain has global responsibility for sourcing, production, technology, logistics and distribution in relation to all product categories with the exception of Medical Solutions.
- *Global Digital & Business Services*  
Global Operational Services has global responsibility for business services IT and digitalization.

## Directors and Senior Managers

As at the date of this Base Prospectus, Essity's executive management team ("**Senior Management**") is as follows:

### Executive Management Team

<b>Name</b>	<b>Born</b>	<b>Title</b>	<b>Education</b>
Magnus Groth	1963	President, Chief Executive Officer	MSc ME, MBA
Fredrik Rystedt	1963	Executive Vice President and CFO	MSc Econ
Pablo Fuentes	1973	President, Professional Hygiene	MSc, MBA
Donato Giorgio	1973	President, Global Supply Chain	MSc Mechanical Engineering
Ulrika Kolsrud	1970	President, Health and Medical Solutions	MSc Chemical Engineering
Andres Gomez	1977	President, Consumer Goods	MBA and MSc Eng
Mikael Schmidt	1960	Senior Vice President, Group Function Legal Affairs, General Counsel and Secretary of the board	Master of Laws
Volker Zöllner	1967	President, Consumer Goods EMEA	Bsc BA
Tuomas Yrjölä	1978	President, Global Brand, Innovation and Sustainability	MSc Econ, BA
Anna Sävinger Åslund	1969	Senior Vice President, Group Function Human Resources	BSc Human Resources

<b>Name</b>	<b>Born</b>	<b>Title</b>	<b>Education</b>
Sahil Tesfu	1982	Senior Vice President, Group function Strategy & Business Development	MBA Business Administration

In February 2023, Joséphine Edwall Björklund stepped down from her role as Chief Communication Officer and member of Essity's executive management team. Essity expects her replacement, Jessica Alm, to be appointed during the second half on 2023.

In April 2023, Essity announced Carl-Magnus Månsson had been appointed as its Chief Digital and Information Officer and a member of the executive management team. It is expected Mr. Månsson will start his role on 15 May 2023.

### **Board of Directors**

As at the date of this Base Prospectus, Essity's board of directors ("**Board of Directors**") is as follows:

<b>Name</b>	<b>Born</b>	<b>Title</b>	<b>Other board Membership</b>
Pär Boman	1961	Chairman of the Board of Essity since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2010)	Chairman of the Boards of Svenska Cellulosa Aktiebolaget SCA and Handelsbanken. Deputy Chairman of the Boards of AB Industrivärden and Member of the Board of Skanska AB
Ewa Björling	1961	Essity board member since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2016)	Chairman of the Boards of Xolaris AB. Member of the boards of Biogaia AB, Mobilaris AB and MD International AB (Min Doktor)
Annemarie Gardshol	1967	Essity board member since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2015)	President of PostNord Sverige AB and Member of the Board of Svenska Cellulosa Aktiebolaget SCA
Magnus Groth	1963	President and CEO of Essity. Board member since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2015)	President and CEO of Essity
Barbara Thoralfsson	Milian 1959	Essity board member since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2006)	Member of the Boards of Hilti AG, Exclusive Networks SA and Svenska Cellulosa Aktiebolaget SCA
Bert Nordberg	1956	Essity board member since 2016 (elected in Svenska Cellulosa Aktiebolaget SCA 2012)	Chairman of the Board of Vestas Wind Systems AS. Member of the Boards of Svenska Cellulosa Aktiebolaget SCA and SAAB
Torbjörn Lööf	1965	Essity board member since 2021	Member of the Board of AB Blåkläder
Maria Carell	1973	Essity board member since 2023	Member of the Board of RG Holdco
Jan Gurander	1961	Essity board member since 2023	Member of the Board of Skanska
Susanna Lind	1966	Operator at Essity Hygiene and Health AB, Falkenberg. Appointed by the employees 2019	Member of the Swedish Trade Union Confederation (LO)
Örjan Svensson	1963	Senior Industrial Safety Representative at Essity Hygiene and Health AB, Lilla Edet. Appointed by the employees 2017 (appointed in SCA 2005).	Member of the Swedish Trade Union Confederation (LO)

<b>Name</b>	<b>Born</b>	<b>Title</b>	<b>Other board Membership</b>
Niclas Thulin	1976	IT Specialist Collaboration & Workplace at Essity Hygiene & Health AB, Gothenburg. Appointed by the employees 2017.	Member of the Council for Negotiation and Cooperation (PTK)

As far as is known to Essity, no potential conflicts of interest exist between any duties to Essity of the Board of Directors and Senior Management listed above and their private interests or other duties in respect of their management roles.

There are no principal activities performed by the Senior Management outside Essity, where such activities are significant with respect to Essity. The business address for each of the persons listed under Senior Management and Board of Directors is the registered office of Essity, which is P.O. Box 200, SE-101 23 Stockholm, Sweden.

### **Recent Developments**

On 26 April 2023, Essity decided to initiate a strategic review of its ownership of the Asian hygiene company, Vinda International Holdings Ltd and the Consumer Tissue Private Label Europe business with the aim of reducing Consumer Tissue's share of the company's total sales.

Essity continuously evaluates the product portfolios within the company's three business areas, Health & Medical, Consumer Goods and Professional Hygiene, to achieve increased long-term value creation. The strategic review includes exploring different options and may result in divestments, although no such decisions have been taken as at the date of this Base Prospectus.

## DESCRIPTION OF ESSITY CAPITAL

Essity Capital was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) for an indefinite duration under the laws of the Netherlands on 14 April 2021. Essity Capital has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, its registered office at Arnhemse Bovenweg 120, 3708AH Zeist, the Netherlands and its postal address is Postbus 670, 3700AR Zeist and telephone number is +31 (0)30-6984600. Essity Capital is registered with the Commercial Register (*Handelsregister*) of the Dutch Chamber of Commerce under registration number 82525897. Its articles of association (*Statuten*) are dated 14 April 2021.

Essity Capital is a wholly owned subsidiary of Essity. Essity Capital has no subsidiaries.

According to article 3 of its articles of association, Essity Capital provides a range of treasury management services and acts as a financing vehicle for Essity in the international capital markets. Essity has provided a guarantee in connection with the Notes to be issued by Essity Capital under the Programme.

Essity Capital's financial year will end on 31 December in each year.

The issued share capital of Essity Capital amounts to two million (2,000,000) ordinary shares (each with a par value of euro 1), which have been fully paid up.

As at the date of this Base Prospectus, the board of managing directors ("**Board of Managing Directors**") of Essity Capital is as follows:

<b>Name</b>	<b>Born</b>	<b>Title</b>
Johan Gunnar Rydin	27 October 1960	Director A
Per Magnus Johansson	22 December 1965	Director A
Marten Schut	5 November 1984	Director B
Freek van den Ham	23 December 1980	Director B

The directors of Essity Capital do not have any significant external appointments outside of Essity Capital or Essity.

The business address of the members of the Board of Managing Directors is Arnhemse Bovenweg 120, 3708AH Zeist. There are no conflicts of interests or potential conflicts of interests between the duties to Essity Capital of each of the members of the Board of Managing Directors listed above and their private interests or other duties.

## TAXATION

### Swedish Taxation

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not address, *inter alia*, situations where the Notes are held in an investment savings account (*Sw. investeringssparkonto*) or the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of the Notes in their particular circumstances.

#### *Holders not tax resident in Sweden*

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, **provided that** such a holder (i) is not resident in Sweden for Swedish tax purposes and (ii) does not have a permanent establishment in Sweden to which the Notes are effectively connected. Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other return on Notes) to a private individual (or an estate of a deceased individual) who is resident in Sweden for Swedish tax purposes (see "*Holders tax resident in Sweden*" below).

However, broadly speaking, **provided that** the value of or the return on the Notes relates to securities taxed as shares, private individuals who have been residents of Sweden for tax purposes due to a habitual abode in Sweden or a continuous stay in at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption are liable for capital gains taxation in Sweden upon disposal or redemption of such Notes. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

#### *Holders tax resident in Sweden*

In general, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (for example income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may be applicable to certain categories of corporations, for example life-insurance companies. Further, specific tax consequences may be applicable if, and to the extent that, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

If amounts that are deemed as interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, or in certain cases a clearing institution within the EEA, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

### Dutch Taxation

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

*For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of Notes, being an individual or a non-resident entity, does not have nor will have a substantial interest (aanmerkelijk belang), or — in the case of such holder being an entity — a deemed substantial interest, in Essity Capital and that no connected person (verbonden persoon) to the holder has or will have a substantial interest in Essity Capital.*



*Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with the individual's partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or the individual's partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company.*

*Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company. Generally, an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*For the purpose of the paragraph "Taxes on Income and Capital Gains" below, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.*

*Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.*

*Where the summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.*

*Where this summary refers to Notes, such reference includes Coupons and Talons.*

***Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes.***

#### ***Withholding tax***

All payments of principal and interest by Essity Capital under the Notes can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as equity of Essity Capital for Dutch tax purposes and save that Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of Essity Capital if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the annually updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is a reverse hybrid whereby the jurisdiction of residence of a participant that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that participant would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to the participant directly, or (vi) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## ***Taxes on Income and Capital Gains***

### *Residents*

#### *Resident entities*

An entity holding Notes which is or is deemed to be resident in the Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 25.8 per cent. in 2023).

#### *Resident individuals*

An individual holding Notes who is or is deemed to be resident in the Netherlands for Dutch income tax purposes will generally be subject to Dutch income tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 49.50 per cent. in 2023) if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, the individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. For the fiscal year 2023, separate deemed return percentages for savings, debts and investments apply, 6.17 per cent. for the category investments (including the Notes), as at the beginning of the relevant fiscal year. The applicable percentages will be updated annually on the basis of historic market yields. Subject to certain anti-abuse provisions, the product of an amount equal to (a) the total deemed return divided by the sum of savings, debts and investments and (b) the sum of savings, debts and investments minus a tax-free allowance, forms the individual's taxable income from savings and investments (including the Notes) for 2023 and will be taxed at the prevailing statutory rate (32 per cent. in 2023).

#### *Non-residents*

A holder of Notes which is not and is not deemed to be resident in the Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Notes, unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in the Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

#### *Gift and Inheritance Taxes*

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

- (i) the holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### *Value Added Tax*

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue or acquisition of Notes, payments of principal or interest under the Notes, or payments in consideration for a disposal of Notes.

### *Other Taxes and Duties*

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Notes or the performance of Essity Capital's obligations under the Notes.

### *Residence*

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which, remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuers) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 5 May 2023 (such programme agreement as further supplemented and/or restated from time to time being the "**Programme Agreement**"), agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under a subscription agreement prior to the closing of the issue of any relevant Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuers and the Guarantor, if applicable, have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes and the Guarantee of the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

This Base Prospectus has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of the Notes outside the United States. The Issuers, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuers and/or the Guarantor of any its contents to any such U.S. person or other person within the United States is prohibited. Terms used in this section and not otherwise defined herein have the meanings given to them by Regulation S.

### Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Final Terms in respect of any Notes does not include a legend entitled "*Prohibition of Sales to EEA Retail Investors*", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer and the Guarantor for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the Issuers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### **Prohibition of sales to UK Retail Investors**

If the Final Terms in respect of any Notes includes the legend "*Prohibition of Sales to UK Retail Investors*", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

If the Final Terms in respect of any Notes does not include the legend "*Prohibition of Sales to UK Retail Investors*", in relation to the United Kingdom, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

*provided that* no such offer of Notes referred to in (A) to (C) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

#### **Other UK Regulatory Restrictions**

Each Dealer has represented, warranted and agreed that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **Sweden**

Each Dealer has represented and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Prospectus Regulation. However, to the extent such Dealer intends to make a Non-exempt Offer, such offer will be made in accordance with the requirements in the Prospectus Regulation.

#### **The Netherlands**

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act (*Wet inzake spaarbewijzen*, the "**SCA**")) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed *that* it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(c)(ii)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer

be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers and the Guarantor. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.



## GENERAL INFORMATION

### Authorisation

1. The update of the Programme was duly authorised by resolutions of the Board of Directors of Essity passed on 22 April 2021 and a resolution of the Board of Managing Directors Essity Capital passed on 19 April 2022. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee.

### Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which Essity is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Group of Essity.
3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which Essity Capital is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Group or Essity Capital.

### Significant or Material Change

4. Since 31 December 2022, there has been no material adverse change in the prospects of Essity and its subsidiaries. Since 31 March 2023, there has been no significant change in the financial position or performance of Essity and its subsidiaries.
5. Since 31 December 2022 there has been no material adverse change in the prospects of Essity Capital. Since 31 December 2022, there has been no significant change in the financial position or performance of Essity Capital.

### Independent Auditors

6. The independent auditors of Essity are Ernst & Young AB, which are regulated by the Swedish Inspectorate of Auditors (*Sw. Revisorsinspektionen*). The consolidated financial statements of Essity for the two financial years ended on 31 December 2021 and 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and audited in accordance with generally accepted auditing standards in Sweden with unqualified opinions reported thereon by Ernst & Young AB. Ernst & Young AB is a member of FAR (the institute for the accountancy profession in Sweden).
7. The independent auditors of Essity Capital are Ernst & Young Accountants LLP, which are regulated by the AFM (*Stichting Autoriteit Financiële Markten*). Essity Capital was incorporated on 14 April 2021 and its first financial year ended on 31 December 2021. The financial statements of Essity Capital for the two financial years ended on 31 December 2021 and 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and with Part 9 of Book 2 of the Dutch Civil Code, and audited in accordance with Dutch law, including the Dutch Standards on Auditing with unqualified independent auditor's reports issued thereon by Ernst & Young Accountants LLP. The registered accountants of Ernst & Young Accountants LLP are members of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants).

### Documents on Display

8. As long as Notes issued under the Programme are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, copies of the following documents will, when published, be available from the registered office of Essity and from the specified offices of the Paying Agents for the time being in London and Luxembourg and at <https://www.essity.com/investors/debt-financing/debt-programmes/> and <https://www.essity.com/investors/reports/> for the 12 months from the date of this Base Prospectus:

- (a) the Articles of Association (with an English translation thereof) of each of the Issuers and the Guarantor;
- (b) the 2021 Essity Financial Statements, the 2022 Essity Financial Statements and the Q1 Essity Financial Statements;
- (c) the 2021 Essity Capital Financial Statements and the 2022 Essity Capital Financial Statements;
- (d) the Agency Agreement, the Deeds of Covenant, the Deed of Guarantee, the Issuer-ICSDs Agreements, the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future prospectuses, financial statements, information memoranda and supplements, Final Terms (save that Final Terms relating to a Note that is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuers and the Paying Agent as to its holding of Notes and identify) to this Base Prospectus and any other documents incorporated herein or therein by reference.

#### **Clearing of the Notes**

9. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

#### **Issue Price and Yield**

10. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

#### **Dealers transacting with the Issuers and the Guarantor**

11. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuers the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers and Guarantor routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Legal Entity Identifier ("LEI")**

12. The LEI code of Essity Aktiebolag (publ) is 549300G8E6YUVJ1DA153 and the LEI code of Essity Capital B.V. is 549300SRFHXCXJHBMHF58

**Issuers' and Guarantor's website**

13. The website of the Issuers and the Guarantor is <https://www.essity.com/>. Unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this prospectus.

**Validity of prospectus and prospectus supplements**

14. For the avoidance of doubt, the neither the Issuers nor the Guarantor shall have any obligation to supplement this base prospectus after the end of its 12-month validity period.

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