

Nasdaq Stockholm: SWMA

October 27, 2022

## Statement by the Board of Directors of Swedish Match AB in relation to the increased public cash offer by Philip Morris Holland Holdings B.V.

The Board of Directors of Swedish Match AB recommends that the shareholders of Swedish Match accept the increased offer.

### Background

This statement is made by the Board of Directors (the “**Board**”) of Swedish Match AB (publ) (“**Swedish Match**” or the “**Company**”) pursuant to Section II.19 of Nasdaq Stockholm’s Takeover Rules (the “**Takeover Rules**”).

On May 11, 2022, Philip Morris Holland Holdings B.V. (“**PMHH**”), an affiliate of Philip Morris International Inc. (“**PMI**”), announced a recommended public offer to the shareholders of Swedish Match to tender all shares in Swedish Match to PMHH (the “**Offer**”). On October 4, 2022, PMHH announced that the acceptance period was further extended until November 4, 2022. On October 20, 2022, PMHH announced an increase of the price in the Offer to SEK 116 per share (the “**Revised Offer**”) and that it would not further increase the price in the Revised Offer. The total value of the Revised Offer, based on all outstanding 1,520,714,190 shares in Swedish Match<sup>1)</sup>, amounts to approximately SEK 176.4 billion.

The Revised Offer represents a premium of:

- 52.5 percent compared to the closing share price of SEK 76.06 on May 9, 2022 (the last day of trading prior to market speculation regarding a potential public offer for the Company);
- 52.9 percent compared to the volume-weighted average trading price of SEK 75.86 for the shares during the last 30 trading days ended on May 9, 2022 (the last day of trading prior to market speculation regarding a potential public offer for the Company);
- 60.4 percent compared to the volume-weighted average trading price of SEK 72.33 for the shares during the last 90 trading days ended on May 9, 2022 (the last day of trading prior to market speculation regarding a potential public offer for the Company).

On October 25, 2022, PMHH announced that it had received necessary approvals from authorities for the Offer, subject to PMHH’s divestiture of Swedish Match’s subsidiary SMD Logistics AB following completion of the Offer.

Except as set out above, the terms and conditions of the Offer are unchanged.

Swedish Match has retained Goldman Sachs Bank Europe SE (“**Goldman Sachs**”) as financial adviser and Mannheimer Swartling Advokatbyrå as legal adviser in relation to the Offer. KANTER Advokatbyrå has also assisted Swedish Match with certain legal advice related to the Offer.

### The Board’s evaluation of the Revised Offer

The Board has previously recommended the Swedish Match shareholders to accept the Offer in accordance with its statement announced on May 11, 2022. The recommendation was supported by an opinion from Goldman Sachs that the Offer was fair from a financial point of view to the shareholders of Swedish Match

1) Excluding any treasury shares held by Swedish Match (currently 4,285,810 shares).

(subject to the factors, limitations and assumptions set forth in the opinion). It was also supported by an opinion from SEB Corporate Finance, Skandinaviska Enskilda Banken AB (publ) that the Offer was fair to Swedish Match's shareholders from a financial point of view (subject to the assumptions and considerations set out in the opinion). For more information about the Board's assessment of the Offer and the reasons for its recommendation, including its opinion on the effects the implementation of the Offer may have on Swedish Match, specifically employment, and its views on PMI's strategic plans for Swedish Match and the effect these may be expected to have on employment and the places where Swedish Match conducts its business, please refer to the Board's statement of May 11, 2022, which is available at <https://www.swedishmatch.com>.

**Based on the above and consistent with its recommendation of May 11, 2022, the Board recommends that Swedish Match's shareholders accept the Revised Offer.**

The resolution to make the above statement has been supported by all board members except for Pär-Ola Olausson (appointed by the union IF Metall).

Pär-Ola Olausson is of the view that Swedish Match has the competence and the experience to remain independent in the long-term and that the terms of the Revised Offer do not reflect the long-term fundamental value of the Company.

---

This statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

Stockholm, October 27, 2022

---

For more information please contact:

Johan Wredberg, Director Communications and Media Relations  
Telephone: +46 730 27 93 43  
E-mail: [johan.wredberg@swedishmatch.com](mailto:johan.wredberg@swedishmatch.com)

---

This information is information that Swedish Match AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.40 p.m. CET on October 27, 2022.

---

Swedish Match develops, manufactures, and sells quality products with market-leading brands in the product segments Smokefree, Cigars, and Lights. Production is located in seven countries, with sales concentrated in the US and Scandinavia. The Group's global operations generated sales of 19,983 MSEK for the twelve month period ending June 30, 2022. The Swedish Match share is listed on Nasdaq Stockholm (SWMA).

Swedish Match's vision is *A world without cigarettes*. Some of its well-known brands include: *General, ZYN, Longhorn, Game, America's Best Chew, Fiat Lux, and Cricket*.

---

Swedish Match AB (publ), SE-118 85 Stockholm, Sweden  
Visiting address: Sveavägen 44, 8th Floor. Telephone: +46 10 13 93 000  
Corporate Identity Number: 556015-0756  
[www.swedishmatch.com](http://www.swedishmatch.com)