

ASX Release

1 June 2021

Asaleo Care Scheme Meeting: Chairman's Address and Presentation

The following documents will be presented at the Company's Scheme Meeting, being held today at 3:00pm (Melbourne time):

1. Chairman's address; and
2. Scheme Meeting Presentation Slides

Asaleo shareholders may attend, participate in and vote at the Scheme Meeting online at <https://agmlive.link/AHYScheme>.

The results of the Scheme Meeting will be communicated to the ASX after the conclusion of the Scheme Meeting.

– ENDS –

About Asaleo Care

Asaleo Care is a leading personal care and hygiene company which markets, manufactures, distributes, and sells personal care and hygiene products throughout Australia, New Zealand, and the Pacific Islands. Its portfolio of market-leading brands includes Libra, TENA, Tork, Viti and Orchid. The Purex, Sorbent and Handee brands are owned in New Zealand and the Pacific Islands only. The Company has 14 manufacturing and distribution facilities and employs around 650 people who work together to offer products and services which provide care, comfort, and confidence every day. For more information visit www.asaleocare.com.

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This release has been approved by Asaleo Independent Board Committee.

Scheme Meeting: Chairman's speech

Good afternoon ladies and gentlemen. I am Harry Boon, the Chairman of Asaleo Care Limited, and I welcome you to this Scheme Meeting of Asaleo Care shareholders. As it is now 3:00 pm and we have a quorum, I declare the meeting open.

Notice of today's Scheme Meeting is included as an attachment to the Scheme Booklet, which was despatched to Asaleo Care shareholders on 29 April 2021. The notice has been given in accordance with the orders made by the Federal Court of Australia on 22 April 2021 and the Company's Constitution. I will take the Notice of Meeting as read.

As a result of the uncertainty resulting from the COVID-19 pandemic and consistent with orders of the Federal Court, we planned for and are holding this meeting as an online virtual meeting. Shareholders are able to participate in this meeting by using the online virtual meeting platform to hear all presentations and proceedings, view the presentation slides, ask questions in writing and vote on the Scheme Resolution. We thank you for your co-operation and patience with these arrangements during these challenging times.

As a result of the COVID-19 related restrictions currently in force in Victoria, some Australian based Directors and management are also joining the meeting on line. I will introduce Directors and management and ask them to acknowledge shareholders in response.

Joining me today in person is:

Sid Takla, our CEO and Managing Director.

Joining on line are:

- Sue Morphet, the Chair of our Remuneration and Human Resources Committee and a member of our Audit and Risk Committee and our Nomination and Governance Committee.
- JoAnne Stephenson, the Chair of our Audit and Risk Committee and a member of our Remuneration and Human Resources Committee and our Nomination and Governance Committee.

JoAnne, Sue and I also comprise the Independent Board Committee with respect to the Essity Proposal and this Scheme of Arrangement.

In light of the current health situation internationally and Government recommendations, the overseas-based members of our Board are joining online from Europe:

- Mats Berencreutz is joining us from his home base near Gothenberg in Sweden. Mats is a member of our Remuneration and Human Resources Committee, and our Nomination and Governance Committee.
- Marie-Laure Mahe is joining us from Paris. Marie-Laure is a member of our Nomination and Governance Committee.

Also present in Melbourne with me is:

- James Orr, our Company Secretary and General Counsel.

Also joining us on line is Andrew Leyden our CFO

How to ask questions and vote

Shareholders will be provided with an opportunity to ask questions before the vote. To be able to ask a question you must have registered to vote. Accordingly please do this now if you have not already done so.

To register to vote, click on the “get a voting card” button on your screen. Shareholders will then need to enter their security holder details and postcode and proxy holders will need to enter their proxy number. Then click on the “submit details and vote” button. Further details are included in the “online voting guide” which is available on the Company’s website.

To ask a question please click on the “Ask a Question” button on your screen, type your question and click submit. Our Company Secretary, James Orr, will read out questions received so that all shareholders will be aware of questions being asked. I encourage shareholders who have questions to send their questions through as soon as possible.

Voting will be by a poll. Only shareholders, proxy holders or corporate representatives will be able to vote, using the electronic voting card which can be accessed after online registration. If you have any queries on this please refer to the virtual meeting online guide.

Essity Group members and Essity Nominee Directors will not vote on the Scheme.

Overview of Scheme and Purpose of Scheme Meeting

The purpose of this Scheme Meeting is for Asaleo Care shareholders to consider and vote on the proposed acquisition of all of the shares in Asaleo Care Limited by Essity Holding Company Australia Pty Ltd, a wholly owned subsidiary of Essity Group Holding BV, by way of a Scheme of Arrangement. The formal Scheme Resolution is as set out in the Notice of Meeting.

If the Scheme is approved by shareholders today and becomes effective, then all holders of Asaleo Care shares on the Scheme Record Date of 22 June 2021 (including Essity Group

Holding BV) will receive Scheme Consideration of \$1.40 per share on the Scheme implementation date, which is expected to be 1 July 2021.

Further, your Board will meet after this Scheme Meeting to consider paying a special dividend of 2 cents per share, fully franked. Your Board has previously indicated its intention to pay this special dividend if the Scheme is approved.

Full details of the proposed Scheme are set out in the Scheme Booklet which has been despatched to Asaleo Care shareholders.

Recommendation of the Independent Board Committee and CEO and Managing Director

The Independent Board Committee and the CEO and MD unanimously recommend that Asaleo Care shareholders vote in favour of the Scheme. The Scheme Booklet sets out the detailed reasons for your Directors' recommendation.

From receipt of Essity's initial proposal the Independent Board Committee worked closely with its financial and other specialist advisors. Following a thorough evaluation, it rejected Essity's initial proposal on the basis that it fundamentally undervalued Asaleo Care, was materially inadequate and did not reflect the strategic value of the company to Essity. Whilst liaising with its advisors, the IBC continued to engage with Essity resulting in a significantly higher offer price which allowed us to conclude an attractive, all-cash transaction which represents a compelling outcome for shareholders. This is what is being presented to shareholders today.

Directors who hold Asaleo Care shares (other than the Essity Nominee Directors) also intend to vote the shares they own or control in favour of the Scheme.

Asaleo Care has a clear strategy as a stand-alone entity that your Directors believe will deliver improving returns for shareholders over time. However, no strategy is without risk and the Independent Board Committee members and CEO and Managing Director are of the view that the Scheme is an attractive, all-cash transaction and represents a compelling outcome for our shareholders. It delivers certainty of value and we unanimously recommend that shareholders vote in favour of the Scheme Resolution.

We consider that the Scheme is in the best interests of Asaleo Care shareholders because:

- the Independent Expert has concluded that the Scheme is in the best interests of Asaleo Shareholders;
- the Scheme Consideration, and total value to Asaleo Shareholders, represents an attractive premium to historical trading prices;
- the Scheme Consideration provides Asaleo Shareholders with certainty of value; and
- no Superior Proposal has emerged and the Independent Board Committee is not aware of any Superior Proposal.

The Scheme Booklet includes reasons as to why shareholders may chose to vote against the Scheme. These are set out on the displayed slide.

Update on Conditions Precedent

Implementation of the Scheme remains subject to a number of conditions. The relevant conditions which remain outstanding at this time are:

- the approval of the Scheme by Asaleo Care shareholders, which is why we are holding the meeting today;
- the approval of the Scheme by the Federal Court of Australia, which will be sought on 9 June 2021 in the event shareholders approve the Scheme; and
- no Asaleo Care prescribed event, regulatory intervention, or material adverse change occurring before the Scheme is approved by the Court.

As advised to the ASX on 27 May, both Australia's Foreign Investment Review Board and New Zealand's Overseas Investment Office have each given their approval.

The Independent Board Committee and CEO and Managing Director are not aware of any circumstances which would cause any of the outstanding conditions precedent to not be satisfied.

What happens after today's Meeting?

I note that each of the dates mentioned next are indicative only and may change.

If the Scheme is approved by shareholders at today's meeting and the conditions precedent are satisfied by 9 June 2021, the proposed next key dates in the Scheme timetable are:

- on 9 June 2021, Asaleo Care will seek the approval of the Federal Court of Australia to implement the Scheme. On the basis that the Court approves the Scheme and issues the orders sought, then on 10 June, Asaleo Care will lodge a copy of the Court's orders with the Australian Securities and Investments Commission. Trading in Asaleo Care shares will be suspended at the close of trading on the ASX on that day;
- if the Special Dividend is declared by the Board, the Special Dividend Record Date will be 5:00pm (Melbourne time) on 15 June 2021. All holders of Asaleo Care shares on that date will receive the Special Dividend on 21 June 2021; and
- the Scheme Record Date will be 5:00pm (Melbourne time) on 22 June 2021. All holders of Asaleo Care shares on the Scheme Record Date will receive the Scheme Consideration on the Scheme Implementation Date of 1 July 2021.

If you sell your Asaleo Care shares before the Special Dividend Record Date you will not be entitled to receive the Special Dividend, and if you sell your Asaleo Care shares before the Scheme Record Date you will not be entitled to receive the Scheme Consideration.

As described in the Scheme Booklet, Essity has indicated that, if the Scheme is implemented, it is their intention that Asaleo Care's business will continue in its present form with no

major changes. Essity has advised that it will conduct a detailed review of the Company's strategic, financial and business operations. Subject to the outcome of that review its intention is to retain Asaleo Care's management team and the majority of employees in line with current operations.

Questions

I will now invite questions. If you have a question, please submit it now if not already done so.

Our company secretary, James Orr will now read out questions which have been received.

Thank you

Scheme Resolution

The Scheme Resolution being put forward at today's meeting is set out in the Notice of Meeting and is now being shown on screen.

As previously stated, the Independent Board Committee and CEO and Managing Director recommend you vote in favour of the Scheme Resolution. We continue to believe that the Scheme represents a compelling outcome for our shareholders, customers, suppliers and staff. Essity is a long-term strategic partner for Asaleo and there is a strong commercial logic for this combination which will further enhance the Company's position in the markets in which we operate.

Shareholders, proxy holders or corporate representatives may vote through the online platform on the webpage by selecting either "FOR", "AGAINST" or "ABSTAIN for the Scheme Resolution.

In order to be carried, the Scheme Resolution must be approved by:

- a majority in number of Asaleo Care shareholders present and voting at this Scheme Meeting (either in person, by proxy or attorney or in the case of a corporate holder, by duly appointed corporate representative); and
- at least 75% of the votes cast on the Scheme Resolution

As set out in the Notice of Meeting, I intend to vote all undirected proxies I hold in favour of the Scheme Resolution.

Proxy Votes Received

For your reference the total valid proxies received for the Scheme Resolution are now being shown. The proxies represent over 82% of eligible shares and 232 holders. Taking into account the "For" and "Open" votes, they show a vote in favour of over 99% by shares and 89% by shareholders.

Can you now please cast your vote on the Scheme Resolution.

I will be closing voting shortly so please finalise your voting if you have not already done so using the online facility.

I declare that voting is now closed. Final results, including votes received before the meeting will be lodged with the ASX later today.

In closing I would like to thank our management and all our employees for their hard work and dedication to Asaleo Care. Importantly I would like to thank our shareholders, customers, consumers and other stakeholders for your continued support and interest in the Company. I would also like to thank my colleagues on the Board for their support and counsel since the company's initial listing on the ASX in 2014. It has been a privilege for me to serve as Chairman for the last 7 years.

Thank you for your attendance today and I declare the meeting closed.



Asaleo Care Limited Scheme Meeting

3.00 pm June 1st, 2021



Harry Boon

Chairman



Sid Takla

Sue Morphet

Jo-Anne Stephenson



Mats Berencreutz



Marie-Laure Mahe



James Orr



Andrew Leyden



Harry Boon

Chairman



- **How to vote and ask questions**
- **Overview of Scheme and purpose of Scheme meeting**

Recommendation of the Independent Board Committee and CEO and Managing Director



The Independent Board Committee and the CEO and Managing Director unanimously recommend that Asaleo Care shareholders vote in favour of the Scheme.

They consider that the Scheme is in the best interests of Asaleo Care shareholders because:

- The Independent Expert has concluded that the Scheme is in the best interests of Asaleo Shareholders;
- The Scheme Consideration, and total value to Asaleo Shareholders, represents an attractive premium to historical trading prices;
- The Scheme Consideration provides Asaleo Shareholders with certainty of value; and
- No Superior Proposal has emerged and the Independent Board Committee is not aware of any Superior Proposal.

Reasons to vote against the Scheme:

- You may disagree with the Independent Board Committee/Managing Director and the Independent Expert, and believe that the Scheme is not in the best interests of Asaleo Shareholders
- If the Scheme proceeds you will no longer be a shareholder of Asaleo and you will not participate in any potential upside that may result from being an Asaleo Shareholder
- You may believe it is in your best interests to maintain your current investment and risk profile
- The tax consequences of transferring your Asaleo Shares pursuant to the Scheme and may not be optimal for your financial position

Harry Boon

Chairman



- **Update on Conditions Precedent**

Key Dates



- 9 June 2021:** Asaleo Care will seek the approval of the Federal Court of Australia to implement the Scheme
- 10 June 2021:** Court order is lodged with ASIC and the Scheme becomes effective
- 10 June 2021** Last day of trading in Asaleo Care Shares
- 15 June 2021:** Special Dividend record date
- 21 June 2021:** Special Dividend payment date
- 22 June 2021:** Scheme record date
- 1 July 2021:** Scheme Implementation date, payment of Scheme consideration

Questions

“That, in accordance with the provisions of section 411(4)(a)(ii) of the Corporations Act:

- a) The members agree to the scheme of arrangement proposed between the Company and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (with or without any alterations or conditions agreed to in writing between the Company and the Bidder or any alterations or conditions required by the Court to which the Company and the Bidder agree); and*
- b) The board of directors of the Company is authorised to implement the Scheme with any such alterations or conditions.”*

Proxies Received



Item	Resolution	For	Against	Open	Total valid proxies received
1	Scheme Resolution	(286,520,960) shares (99.70) % of shares voted (183) holders (78.89) % of holders voted	(389,458) shares (0.14) % of shares voted (24) holders (10.34) % of holders voted	(457,558) shares (0.16) % of shares voted (25) holders (10.77) % of holders voted	(287,367,976) shares (100) % of shares voted (232) holders (100) % of holders voted

Please cast your votes on the Scheme Resolution



Harry Boon

Chairman

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