

December 14, 2022

Exchange Notice

Derivatives – Product Information 290/22

Anticipated adjustment in Swedish Match due to offer

As communicated in Exchange Notice 151/22, Philip Morris International Inc., through Philip Morris Holland Holdings B.V. (PMHH), announced a voluntary cash offer to acquire all outstanding shares in Swedish Match AB (Swedish Match) so that every one (1) Swedish Match share held will entitle their holder to a cash payment of SEK 116 per share.

On November 7, 2022, PMHH announced that all conditions for completion of the offer have been fulfilled.

NASDAQ has approved the delisting application received from Swedish Match. The last trading day in Swedish Match share is December 30, 2022.

As stipulated in the Rules and Regulations of NASDAQ Derivatives Markets A.3.4.8 the fair value adjustment shall be carried out in connection to the de-listing of the contract base, alternatively, when trading in the underlying share is considered insufficient to support related derivatives trading. **The new expiration day has been set to December 20, 2022 and it will be reflected in the system from December 20, 2022.** NASDAQ Derivatives Markets will calculate the fair value for options, regular and gross return forwards/futures in Swedish Match (SWMA) according to below.

Conditions	Cash offer, SEK 116 per share
Adjustment	New Expiration day and settlement of Fair Value
New exercise and forward/future price	Unchanged exercise and forward/future price
New contract size	Unchanged contract size
New Expiration Day	December 20, 2022

Variables used in Fair Value Method

Historic volatility	0.2042
Dividend estimates	November 11, 2022: SEK 0.93 April 28, 2023: SEK 1.06 November 10, 2023: SEK 1.06 April 26, 2024: SEK 1.19 November 11, 2024: SEK 1.19 April 28, 2025: SEK 1.31

November 11, 2025: SEK 1.31

Interest rate	Applicable STIBOR rate on the day of re-calculation
Underlying share price	VWAP ¹ on the new expiration day
Time to expiration	Number of days between the new expiration day and the original expiration day
Date for calculation of Fair Value	After 19.30 (CET), December 20, 2022
Rules and Regulations of NASDAQ Derivatives Markets	A.3.4.8, A.3.3.6

¹ VWAP = volume weighted average price

Following an adjustment, an ordinary Expiration procedure shall be performed on the New Expiration Day and, in addition, there will be a cash settlement of the difference between the contracts theoretical value (Fair Value) and intrinsic value.

Members are encouraged to ensure that clients are aware of the above-mentioned adjustment.

For further information concerning this exchange notice please contact Zita Pakstaityte or Indre Kucinske, telephone +46 8 405 69 70.

NASDAQ Derivatives Markets

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