



SCANDINAVIAN TOBACCO GROUP



ANNUAL GENERAL MEETING

14 APRIL 2021





AGENDA

- 01** | Report of the Board of Directors on the Company's activities during the past financial year
- 02** | Adoption of the audited annual report
- 03** | Appropriation of profit as recorded in the adopted annual report
- 04** | Presentation of the Company's remuneration report for an advisory vote
- 05** | Adoption of the remuneration of the Board of Directors and Board committees
- 06** | Any proposals by the Board of Directors and/or shareholders
- 6a** | Reduction of the Company's share capital



AGENDA

6b | Authorisation to the Board of Directors to resolve that the Company's general meetings shall be held as completely electronic general meetings

6c | Language of company announcements etc.

07 | Election of members to the Board of Directors

08 | Election of auditor(s)

09 | Any other business



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SCANDINAVIAN TOBACCO GROUP

REPORT OF THE BOARD OF DIRECTORS

COHIBA





FINANCIAL HIGHLIGHTS 2020

▲ 6.6%

NET SALES
DKK 8,006 MILLION

▲ 14.0%

ORGANIC EBITDA
GROWTH
(BEFORE SPECIAL ITEMS)



NET PROFIT
DKK 678 MILLION



FREE CASH FLOW
DKK 1,394 MILLION
(BEFORE ACQUISITIONS)





DIVIDENDS AND SHARE BUY-BACKS

PROPOSED DIVIDEND PER SHARE

DKK **6.50**

2019: DKK 6.10

TOTAL PAYMENT (PROPOSED)

DKKm **~625**

2019: DKKm 608

SHARE BUY BACK PROGRAMME 2021-2022

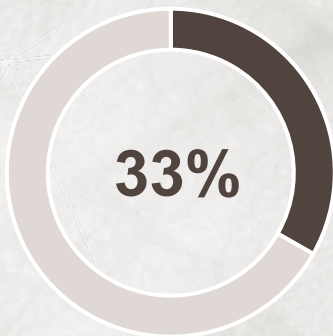
DKKm **600**

2020-2021: DKKm 300



NORTH AMERICA ONLINE & RETAIL

SHARE OF GROUP
NET SALES IN 2020



NET SALES

(in DKKm)

2,662 ▲

ORGANIC GROWTH

18.9% ▲

GROSS MARGIN

(before special items)

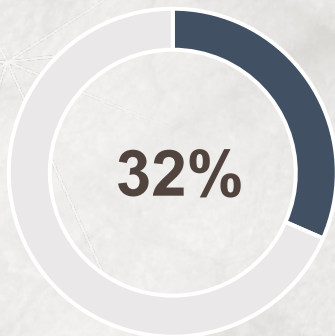
40.4% ▲





NORTH AMERICA BRANDED & ROW

**SHARE OF GROUP
NET SALES IN 2020**



NET SALES
(in DKKm)

2,527 ▲

ORGANIC GROWTH

0.4% ▲

GROSS MARGIN
(before special items)

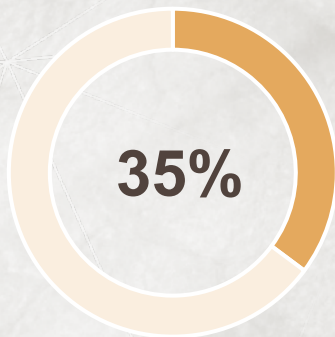
49.1% ▲





EUROPE BRANDED

**SHARE OF GROUP
NET SALES IN 2020**



NET SALES
(in DKKm)

2,817 ▲

ORGANIC GROWTH

2.3% ▲

GROSS MARGIN
(before special items)

49.6% ▲





SCANDINAVIAN TOBACCO GROUP

SIGNIFICANT DEVELOPMENTS IN 2020



INTEGRATION OF
AGIO CIGARS



COMPLETION OF
FUELLING THE GROWTH



UPDATED
STRATEGY



SCANDINAVIAN TOBACCO GROUP

CANDIDATES TO THE BOARD OF DIRECTORS



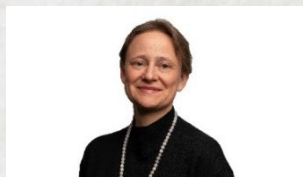
NIGEL NORTHRIDGE
CHAIRMAN



HENRIK BRANDT
VICE-CHAIRMAN



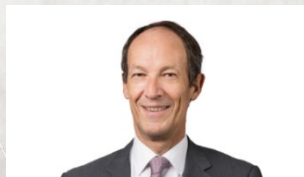
DIANNE NEAL BLIXT



MARLENE FORSELL



CLAUS GREGERSEN



LUC MISSORTEN



ANDERS OBEL



HENRIK AMSINCK
New



SCANDINAVIAN TOBACCO GROUP

REMUNERATION PACKAGE FOR THE EXECUTIVE MANAGEMENT



TOTAL COST OF REMUNERATION
DKK 22.2 MILLION





SCANDINAVIAN TOBACCO GROUP

OUTLOOK 2021



CORPORATE SOCIAL
RESPONSIBILITY



ERP SYSTEM



MODERNISATION OF
STG



FINANCIAL GUIDANCE 2021

>7%

**ORGANIC EBITDA
GROWTH**
(BEFORE SPECIAL ITEMS)



**DKK >1,000 MILLION
FREE CASH FLOW**
(BEFORE ACQUISITIONS)

>10%

**ADJUSTED EARNINGS
PER SHARE GROWTH**





FINANCIAL AMBITION

We still expect:



Annual organic EBITDA growth



Average annual growth in free cash flow before acquisitions and sizeable investments

We have decided to include Return on Invested Capital (ROIC) in our financial ambition. Going forward, we expect:



To improve Return on Invested Capital (ROIC)



REMUNERATION OF THE EXECUTIVE MANAGEMENT FOR THE 2020 FINANCIAL YEAR

	Base salary	Benefits	Short-term Incentive Programme ¹	Long-term Incentive Programme ²	Total Remuneration 2020
Niels Frederiksen, CEO	7,220	258	3,610	3,104	14,192
Marianne Rørslev Bock, CFO	4,337	199	2,168	1,398	8,102
Total	11,557	457	5,778	4,502	22,294

1. Bonus earned for 2020 to be paid in Q2, 2021. In remuneration reports prior to 2020, the bonus accrual value was provided rather than the actual payment value.
2. Fair value of the PSUs granted under the 2020-2022 LTIP cycle as at the grant date in July 2020.



SCANDINAVIAN TOBACCO GROUP

OUR PURPOSE

**CRAFT THE RITUALS THAT
MAKE US MORE**





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SCANDINAVIAN TOBACCO GROUP

ADOPTION OF THE AUDITED ANNUAL REPORT





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APPROPRIATION OF PROFIT AS RECORDED IN THE ADOPTED ANNUAL REPORT

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PER SHARE

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2019: DKK 6.10

TOTAL PAYMENT
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SCANDINAVIAN TOBACCO GROUP

PRESENTATION OF THE COMPANY'S REMUNERATION REPORT FOR AN ADVISORY VOTE





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ADOPTION OF THE REMUNERATION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

For the year 2021

Board of Directors

Annual base fee	DKK 440,000
Chairman	DKK 440,000 x 3
Vice-chairman	DKK 440,000 x 2

Audit Committee (in addition to the annual base fee as Board member)

Chairman	DKK 440,000 x 75%
Other members	DKK 440,000 x 37.5%

Remuneration Committee and Nomination Committee (in addition to the annual base fee as Board member)

Chairman	DKK 440,000 x 25%
Other members	DKK 440,000 x 12.5%



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6a

Proposal to reduce the Company's share capital from DKK 100,000,000 to DKK 97,500,000.

Adoption of the proposal implies amendments to the following articles in the Articles of Association:

3.1: *The company's share capital is nominally DKK 97,500,000, divided into shares of DKK 1 or any multiple thereof.*

5.1: *In the period until 26 March 2025, the board of directors is authorised on one or more occasions to increase the share capital by cash contribution; contribution in kind; and/or conversion of debt by issuance of new shares up to an aggregate of 10 % of the share capital. The subscription is to be made at market price.*

6.1: *In the period until 26 March 2025 the board of directors is authorised to allow the company to acquire its own shares up to an aggregate of 10 % of the share capital at a price deviating by no more than 10 % from the listed price at the time of the acquisition.*





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6b | Authorisation to the Board of Directors to resolve that the Company's general meetings shall be held as completely electronic general meetings

6c | Language of company announcements etc.

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6b

Proposal that the Company's Board of Directors is authorised to resolve that the Company's general meetings shall be held electronically without any physical attendance, i.e., as completely electronic general meetings in accordance with section 77(2) of the Danish Companies Act.

Adoption of the proposal implies that a new article will be included in the Articles of Association:

7.4: The company's general meetings may by decision of the board of directors be held as completely electronic general meetings without access to any physical attendance. Participation in completely electronic general meetings shall take place via electronic media enabling the shareholders of the company to attend, speak and vote at the general meeting and ensuring that the general meeting can be conducted in a proper manner and in accordance with the Danish Companies Act (in Danish: Selskabsloven).





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6c

Proposal that information disclosed pursuant to applicable securities legislation, including company announcements, shall be in English only going forward.

Adoption of the proposal implies that a new article will be included in the Articles of Association:

11.7: The company's disclosure of information pursuant to applicable securities legislation, including company announcements, shall be in English only.





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SCANDINAVIAN TOBACCO GROUP

ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS: CANDIDATES



NIGEL NORTHRIDGE
CHAIRMAN



HENRIK BRANDT
VICE-CHAIRMAN



DIANNE NEAL BLIXT



MARLENE FORSELL



CLAUS GREGERSEN



LUC MISSORTEN



ANDERS OBEL



HENRIK AMSINCK
New



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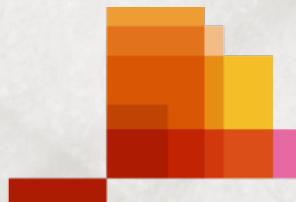
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SCANDINAVIAN TOBACCO GROUP

ELECTION OF AUDITOR(S)



pwc

The Board of Directors proposes to re-elect
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
in accordance with the Audit Committee's
recommendation.



SCANDINAVIAN TOBACCO GROUP

OUR VISION

**TO BE THE UNDISPUTED
GLOBAL LEADER IN CIGARS**



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SCANDINAVIAN TOBACCO GROUP

ANY OTHER BUSINESS





SCANDINAVIAN TOBACCO GROUP

THANK YOU