



SCANDINAVIAN TOBACCO GROUP

Group Overview and Strategy

NIELS FREDERIKSEN

Chief Executive Officer





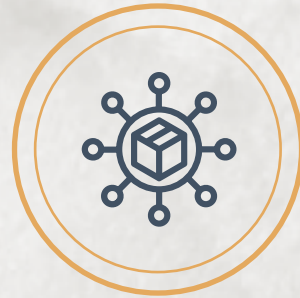
WHO WE ARE



MANUFACTURER
OF EXCLUSIVE
CIGARS



A GLOBAL LEADER IN
THE CIGAR INDUSTRY



DISTRIBUTION
NETWORK OF
~100 MARKETS



A LEADING PLAYER IN
EUROPEAN AND NORTH
AMERICAN MARKETS



LARGE US ONLINE
AND RETAIL
NETWORK



WHY INVEST IN STG?

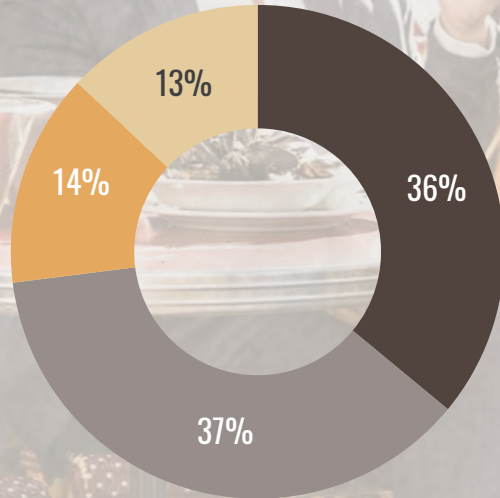
1. | A leading player with the means to grow market share
2. | Consistent performer with high margins
3. | Strong, diverse brand portfolio and market positions with pricing discipline, not prone to market swings
4. | Proven consolidators with additional opportunities for further consolidation
5. | Efficiency opportunities to continue improving margins
6. | Strong cash flow generation and attractive capital allocation policy





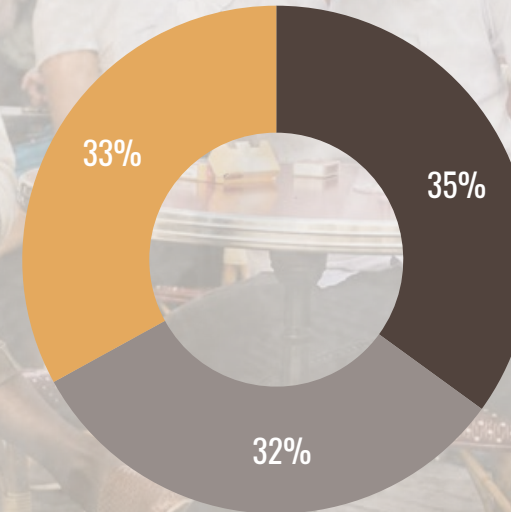
CATEGORIES AND REVENUE STREAMS

CATEGORY BREAKDOWN



- Handmade Cigars
- Machine-rolled Cigars
- Smoking Tobacco
- Accessories and Contract Manufacturing

BALANCED REVENUE STREAMS



- Europe Branded
- North America Branded & Rest of World
- North America Online & Retail



SCANDINAVIAN TOBACCO GROUP

UNRIVALED BRAND PORTFOLIO

SUPER PREMIUM

COHIBA®



PREMIUM

CAO



MAIN-STREAM

DOÑ TOMÁS

diesel



CHILLIN' MOOSE



VALUE FOR MONEY





BROAD GLOBAL ASSORTMENT

GLOBAL STRATEGIC BRANDS



LOCAL STRATEGIC BRANDS



OTHER BRANDS





NAVIGATING REGULATION

- 1 Decades of experience adapting to the changing global regulatory landscape
- 2 Successful implementation of diverse regulations
- 3 Ability to navigate national excise taxes
- 4 Trusted partner and expert in dealing with and educating the market on new regulation
- 5 Membership in numerous trade organisations





SUSTAINABILITY STRATEGY



PEOPLE AND COMMUNITIES

How we engage with our employees and the communities where they work and live



PLANET

How we work to ensure sustainable production



ETHICS

How we promote responsible actions in our business and industry



GOVERNANCE

How we embed strong oversight and transparency in our business



FIVE YEARS OF ACCOMPLISHMENTS

- ✓ Professionalised the business
- ✓ Created a nimble and proactive company
- ✓ Built a scalable platform
- ✓ Grown both organically and inorganically
- ✓ Four successful acquisitions





OUR TRANSFORMATION

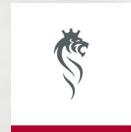


NET SALES
2.5 BN DKK

2008

SWEDISH
MATCH MERGER

2010



STG LANE

2011



VERELLEN

2014

STOCK
MARKET LISTING

2016



THOMPSON
CIGARS

2018

FUELLING THE
GROWTH

2018



NET SALES
8 BN DKK



AGIO

Rolling towards 2025

2020



Rolling Towards 2025

CRAFT THE RITUALS THAT MAKE US MORE

BE THE UNDISPUTED, GLOBAL LEADER IN CIGARS

LARGER COMPANY | GROWING EBITDA MARGIN | OUTSTANDING CASH GENERATION

GROW
our handmade
cigar business

DRIVE
sustainable profit growth in
machine-rolled cigars

INTEGRATE
new mergers
and acquisitions

SIMPLIFY
everything
we do

EMBRACE
a performance
culture

IT AND DATA
CAPABILITIES AND
INFRASTRUCTURE

LEAN, AGILE,
EFFICIENT
OPERATIONS

ATTRACTIVE
EMPLOYER
FOR TALENT

GROWTH
INCUBATOR

EMPOWER
WITH PASSION

BLEND
OUR STRENGTHS

CULTIVATE
COURAGE


LIGHT THE
WAY FORWARD

 **PURPOSE**

 **VISION**

 **AMBITION**

 **MUST-WIN
BATTLES**

 **ENABLERS**

 **VALUES**



MUST-WIN BATTLES



**GROW OUR
HANDMADE CIGAR
BUSINESS**



**DRIVE SUSTAINABLE
PROFIT GROWTH IN
MACHINE-ROLLED
CIGARS**



**INTEGRATE NEW
MERGERS AND
ACQUISITIONS**



**SIMPLIFY
EVERYTHING
WE DO**



**EMBRACE A
PERFORMANCE
CULTURE**



WHAT YOU'LL HEAR TODAY

01

Market leader with successful history of financial performance, industry consolidation and managing regulatory environments

02

Driven to professionalise the company, allowing us the experience and flexibility to act when and where appropriate

03

Focus on combustible products – we are experts in our industry

04

We offer the experience our consumers want across a balanced product portfolio spectrum

05

Proven M&A strategy with numerous opportunities available and the capacity to acquire





EXPERIENCED MANAGEMENT TEAM TO EXECUTE PLAN



NIELS FREDERIKSEN
Chief Executive Officer



MARIANNE RØRSLEV BOCK
Executive Vice President and
Chief Financial Officer



GRAHAM CUNNINGHAM
Chief Supply Chain Officer



HANNE BERG
Senior Vice President and
Chief Human Resources Officer



JURJAN KLEP
President and Senior Vice President,
Europe Branded Division



SARAH SANTOS
President and Senior Vice President,
North America Online & Retail Division



RÉGIS BROERSMA
President and Senior Vice President,
North America Branded and ROW Division



YULIA LYUSINA
Senior Vice President
Strategy and Transformation