



Company Announcement No. 10, 1 October 2026

Scandinavian Tobacco Group A/S completes the divestment of BREAK and Moro and raises the free cash flow guidance for 2026.

Effective 1 October 2026, Scandinavian Tobacco Group has completed the divestment of the fine-cut tobacco brands BREAK and Moro to Japan Tobacco ("JT") with a transaction value of DKK 1.3 billion (DKK 1 billion post-tax). Reference is made to the Company's announcement 8/2026 of 22 July 2026.

Update to financial expectations 2026

As communicated in the Company Announcement 8/2026, certain inventories will be sold to JT with completion of the transaction. The proceeds from the transfer of inventories are not included in the transaction value for the brands and will be included in the free cash flow before acquisitions and divestments.

The Group now expects the free cash flow before acquisitions and divestments to be in the range of DKK 1.2-1.4 billion being revised from in the range of DKK 950-1,200 million.

Although the transaction is dilutive to earnings the divestment is not expected to impact on the Group's 2026 guidance ranges for the reported net sales growth at constant currencies, the EBIT margin before special items as well as the adjusted earnings per share, which are maintained.

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About Scandinavian Tobacco Group

Scandinavian Tobacco Group A/S is a world-leading manufacturer of handmade and machine-rolled cigars, and fine-cut and pipe tobacco. The Group holds market-leading positions in several categories, and its products are sold in more than 100 markets. Scandinavian Tobacco Group has its headquarters in Copenhagen, Denmark – and employs approximately 9,000 people in the U.S., Europe, Canada, the Dominican Republic, Honduras, Nicaragua, Indonesia and Sri Lanka.

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