Company Announcement No. 12, 11 November 2026

# Interim Report 1 January–30 September 2026: Full year expectations raised reflecting year-to-date performance and higher refunds

**Niels Frederiksen, Chief Executive Officer:** "The third quarter was another step in the right direction with respect to executing our Focus2030 strategy and stabilising our business. Our full-year guidance is adjusted partially reflecting higher tariff and duty refunds. The third quarter is positively affected by timing of certain shipments that will reverse in the fourth quarter, but I am pleased with the continued growth in handmade cigars, the underlying margin stabilisation and the strong cash-flow generation. The divestment of the fine cut tobacco brands BREAK and Moro has been completed, restoring our financial flexibility. Approaching the end of the year our focus is to further support progress in our strategic priorities and to deliver a financial performance in line with our long-term ambitions."

## Group net sales stabilising in the first nine months of the year

- Reported net sales of DKK 6.6 billion including a 2% negative impact from exchange rate effects
- Net sales growth at constant currencies of 0.5%
- Machine-Rolled Cigars & Smoking Tobacco delivered flat organic net sales and Handmade Cigars delivered 4% organic net sales growth

## Profit margin expansion in the first nine months driven by timing and duty refunds

- EBITDA margin before special items was 21.8% (+190bp vs 9M 2025) incl. +120bp impact from duty refunds
- EBIT margin before special items at 16.1% (+110bp vs. 9M 2025) including a 50bp negative impact from change in amortization of trademarks, which partially offset the positive impact from duty refunds
- The underlying margin improvement was primarily driven by third quarter timing impacts for machine-rolled cigars and smoking tobacco. These are expected to reverse impacting results negatively in the fourth quarter.

## Strong cash flow improvement versus last year

- Free cash flow before acquisitions was DKK 862 million (9M 2025: DKK 448 million).
- The cash flow improvement reflects improved contributions from the operating activities including changes in the working capital and supports full-year guidance of DKK 1.2-1.4 billion

## Improved financial flexibility after divestment

- The Group leverage ratio is expected at about 2 times by year-end compared with 2.7 times by end of Q3
- The Group's capital allocation priorities remain unchanged based on disciplined investments to support our strategic direction and the shareholder return policy.

## Financial expectations for full-year 2026

Based on broadly unchanged assumptions for net sales but now excluding the impact from the divestment of the fine-cut brands as of 1 October, the range for the expected net sales growth has been narrowed while the range for the EBIT margin before special items has been raised supported by the year-to-date financial performance and higher than expected tariff and duty refunds.

- Reported net sales growth at constant currencies in the range from -2% to 0% (from -2% to +2%)
- EBIT margin before special items in the range of 14.0-15.5% (from 13.0-14.5%)
- Free cash flow before acquisitions in the range of DKK 1.2-1.4 billion (unchanged)
- Adjusted EPS in the range of DKK 9.5-11.5 (from 9.0-11.0)

## Financial Summary

| Reported data in DKK million | Q3 2026 | Q3 2025 | Change | 9M 2026 | 9M 2025 | Change |
|---|---|---|---|---|---|---|
| Net sales | 2,434 | 2,357 | 3% | 6,627 | 6,692 | -1% |
| EBITDA before special items | 610 | 519 | 18% | 1,445 | 1,335 | 8% |
| EBIT before special items | 484 | 407 | 19% | 1,064 | 1,002 | 6% |
| EBIT margin before special items | 19.9% | 17.3% | | 16.1% | 15.0% | |
| | | | | | | |
| Adjusted earnings per share (DKK) | 4.2 | 3.4 | 21.% | 8.6 | 8.2 | 5% |
| Free cash flow before acquisitions | 440 | 173 | 154% | 862 | 448 | 92% |
| Return on invested capital (ROIC) | | | | 8.2% | 8.3% | |
| NIBD / EBITDA before special items | | | | 2.7x | 2.9x | |

*Webcast*: The Group will present the results at a conference call on 12 November 2026 at 10.00 CET. Dial-in information and the presentation deck will be available at st-group.com.

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# Key Figures

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 | 12M 2025 |
|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | |
| Net sales | 2,434 | 2,357 | 6,627 | 6,692 | 9,036 |
| Gross profit before special items | 1,134 | 1,050 | 3,012 | 2,980 | 4,001 |
| EBITDA before special items | 610 | 519 | 1,445 | 1,335 | 1,791 |
| EBIT before special items | 484 | 407 | 1,064 | 1,002 | 1,342 |
| Special items | -43 | -41 | -178 | -146 | -200 |
| EBIT | 441 | 366 | 886 | 856 | 1,142 |
| Net financial items[1] | -67 | -78 | -185 | -218 | -288 |
| Profit before tax | 382 | 295 | 720 | 657 | 878 |
| Income taxes | -88 | -68 | -166 | -151 | -208 |
| Net profit | 294 | 227 | 555 | 506 | 669 |
| | | | | | |
| **BALANCE SHEET** | | | | | |
| Total assets | | | 16,496 | 16,363 | 16,303 |
| Equity | | | 8,990 | 8,398 | 8,572 |
| Net interest-bearing debt (NIBD) | | | 5,065 | 5,571 | 5,461 |
| Investment in property, plant and equipment | 26 | 47 | 74 | 108 | 158 |
| Total capital expenditures | 33 | 53 | 96 | 121 | 182 |
| | | | | | |
| **CASH FLOW STATEMENT** | | | | | |
| Cash flow from operating activities | 465 | 223 | 907 | 550 | 755 |
| Cash flow from investing activities | -25 | -50 | -46 | -106 | -163 |
| Free cash flow | 440 | 173 | 862 | 444 | 591 |
| Free cash flow before acquisitions | 440 | 173 | 862 | 448 | 595 |
| | | | | | |
| **KEY RATIOS[2]** | | | | | |
| Net sales growth | 3.3% | -3.0% | -1.0% | -0.8% | -1.8% |
| Organic net sales growth | 2.1% | 0.3% | 0.5% | -4.0% | -3.1% |
| Gross margin before special items | 46.6% | 44.6% | 45.5% | 44.5% | 44.3% |
| EBITDA margin before special items | 25.1% | 22.0% | 21.8% | 19.9% | 19.8% |
| EBIT margin before special items | 19.9% | 17.3% | 16.1% | 15.0% | 14.9% |
| Effective tax percentage | 23.0% | 23.0% | 23.0% | 23.0% | 23.7% |
| Equity ratio | | | 54.5% | 51.3% | 52.6% |
| Cash conversion | 132.8% | 106.4% | 114.5% | 96.4% | 99.3% |
| NIBD / EBITDA before special items | | | 2.7 | 2.9 | 3.0 |
| ROIC | | | 8.2% | 8.3% | 7.9% |
| ROIC ex. Goodwill | | | 13.0% | 12.9% | 12.3% |
| Adjusted earnings per share (DKK) | 4.2 | 3.4 | 8.6 | 8.2 | 10.8 |
| Basic earnings per share (DKK) | 3.7 | 2.9 | 7.0 | 6.4 | 8.5 |
| Diluted earnings per share (DKK) | 3.7 | 2.9 | 7.0 | 6.4 | 8.5 |
| Number of shares issued ('000) | | | 80,000 | 80,000 | 80,000 |
| Number of treasury shares ('000) | | | 1,238 | 1,266 | 1,253 |
| Number of outstanding shares ('000)[3] | | | 78,937 | 78,875 | 78,828 |
| Share price at balance date (DKK) | | | 74.00 | 87.70 | 95.50 |
| Dividend per share (DKK) | | | | | 4.50 |
| Pay-out ratio | | | | | 41.7% |

1. Excl. share of profit of associated companies.
2. See definition/explanation of financial ratios in note 5.8 in the Annual Report 2025.
3. Average number of shares outstanding, including dilutive effect of PSUs.

# Focus2030 progresses

## Focus2030 provides the foundation for delivering on our financial ambitions

In the five-year strategy Focus2030, we have defined three strategic priorities, which are critical to unlocking the Group's full potential. We aim to build a company that has a sustainable and stable machine-rolled cigars and smoking tobacco business, a growing and increasingly attractive handmade cigar business anchored in the U.S., supported with a growing international platform and a bigger nicotine pouch business with even more upside in an attractive category.

Creating value for our shareholders is embedded in our **financial ambitions** for the five-year period by delivering a return on invested capital (ROIC) above 11% in 2030, a low single digit organic compounded annual growth rate in EBIT before special items over the period and a sustainable free cash flow before acquisitions of more than DKK 1.2 billion in 2030. Acquisitions as well as divestments of less core assets will continuously be evaluated, where they support our strategy as well as our financial ambitions.

The execution of Focus2030 progresses well and develops according to our expectations with the progress to be measured by trends rather than quarterly developments. Combined, our tobacco categories delivered stable net sales and margins for the first nine months of the year, our nicotine pouch business executes on the strategy to become a larger part of the Group and with the divestment of the fine-cut tobacco brands BREAK and Moro we have strengthened the Group's overall strategic and financial flexibility.

## Executing on our strategic priorities

For the first nine months of the year, our combined tobacco categories (handmade cigars, machine-rolled cigars and smoking tobacco) delivered low single-digit organic net sales growth with the gross margin before special items improving in both product categories. The development was supported by growth in Handmade Cigars in the first nine months of the year as well as a rebound of volumes of machine-rolled cigars during the third quarter following a decrease in the second quarter. Please, refer to the financial overview by product category for more details on page 5.

For **handmade cigars** total market volumes are estimated to have declined slightly less than the 4% decline we anticipated for the full year. Further, we estimate that our branded business in the US (business to business) has gained market share while our online and retail businesses (business to consumer) are estimated to have maintained their combined market share.

Despite continued competitive markets, our commercial execution, with a sharper focus on our power brands and tactical pricing, delivered encouraging results. Our power brands, Macanudo, CAO, Cohiba and Alec Bradley delivered a slightly higher growth in net sales compared with the total organic growth for handmade cigars of 4%.

In **machine-rolled cigars and smoking tobacco** our focus remains to protect the profit and cash-flow by growing our market share in machine-rolled cigars, despite the temporary setback caused by a rare raw tobacco issue over the summer months. We will do this by prioritising investment, especially in our power brands and by streamlining our supply chain through simplification and other efficiency initiatives.

During the first nine months of the year, we focused on strengthening our foundation by growing our volume market share across our seven key European markets. After an encouraging first quarter, this progress was stalled during the second and third quarters as the brand Signature PLC was affected by an exceptionally rare quality issue with raw tobacco. With new raw tobacco being secured and production and product availability having normalised during the third quarter and into the fourth quarter, we expect to regain market share momentum in 2027.

Preliminary total market data for the first nine months of 2026 show that across the seven key European markets machine-rolled cigars volumes declined by 3.6% compared with same period last year. The preliminary data indicates that our volume market share declined to 25.8% in the nine months period from 27.0% a year earlier primarily due to supply issues impacting our largest market France and the Netherlands. Our four power brands, Signature, Meharis, Panter and La Paz in aggregate lost less market share

than the average of the seven key European markets, indicating progress in our focus strategy, despite the rare quality issue impacting the Signature brand.

Data for the last twelve months, i.e. from October 2025 to September 2026, indicate a total market decline of 3.3% with our volume market share at 25.9%.

**Next Generation Products:** We aim to build a stronger presence in the nicotine pouch category with our power brand, XQS. Our portfolio also consists of two smaller brands, Ace and Gritt, where we are focusing on fewer markets.

Nicotine pouches account for less than 5% of group net sales but are expected to deliver important contributions to the Group's growth ambitions during the strategy period. We aim to build on our established market position in Sweden, while also expanding into other markets.

Our net sales in the NGP category decreased organically by 6% during the first nine months of the year. The streamlining of Ace and Gritt continue to impact category net sales. During the first nine months XQS delivered 9% organic net sales growth. The gross margin before special items for the category reflects the current priority of establishing stronger market positions within key markets.

For the first nine months of the year total in-market volumes in Sweden, Denmark and the UK increased by 19% with our brands growing 25%. XQS´s market share in Sweden increased to 13.5% from 11.4% in the first nine months of 2026 with the market share being relatively stable during the third quarter. In the UK the market share remains close to 1% reflecting a growth by XQS in line with total market growth close to 35%.

### Financial overview by product category

| | Net Sales** | Organic Growth | Gross Margin* | Gross Margin* | Net Sales** | Organic Growth | Gross Margin* | Gross Margin* |
|---|---|---|---|---|---|---|---|---|
| | Q3 2026 | Q3 2026 | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2026 | 9M 2026 | 9M 2025 |
| Machine-rolled Cigars & Smoking Tobacco | 1,234 | 7% | 57.4% | 51.7% | 3,328 | 0% | 53.8% | 50.9% |
| Handmade Cigars | 890 | 1% | 41.8% | 42.2% | 2,427 | 4% | 42.8% | 42.5% |
| Next Generation Products | 107 | -6% | 14.3% | 41.6% | 285 | -6% | 30.2% | 37.4% |
| Other | 203 | -15% | 18.7% | 20.4% | 587 | -9% | 16.9% | 22.5% |
| **Total** | **2,434** | **2.1%** | **46.6%** | **44.6%** | **6,627** | **0.5%** | **45.5%** | **44.5%** |

"Other" includes contract manufacturing, sales of accessories and bar sales delivered.

*Before special items, **DKK million

## Capital allocation priorities

On 1 October, the divestment of the fine-cut tobacco brands BREAK and Moro was completed. The post tax transaction value is approximately DKK 1.0 billion. For the first nine months of 2026, BREAK and Moro accounted for slightly less than 4% of Group net sales, almost 4.5% of Group gross profit before special items and slightly more than 6% of EBITDA before special items.

Based on the financial expectations for the fourth quarter and including the proceeds from the divestment of the fine-cut tobacco brands, we expect the leverage ratio at the level of around 2 times year-end compared to a target leverage ratio of 2.5 times. By the end of the third quarter of 2026 the leverage ratio was 2.7 times.

The Groups capital allocation policy is anchored in the dividend policy with a pay-out ratio in the range of 40%-60% of adjusted earnings per share. Our capital allocation priorities reflect that investments in our business must support our strategic ambitions and meet our ambition to enhance ROIC over time. The Groups Shareholder Return Policy articulates that distribution of excess capital to shareholders is continuously being evaluated on an ongoing basis. Throughout the past five years, the preferred way of distributing excess capital has been through share repurchases. We are currently reviewing the capital allocation and will provide more clarity no later than in relation to the announcement of the Annual Report.

## Financial performance in 2026 is on track with long-term ambitions

Return on invested capital, ROIC was 8.2% by the end of the third quarter of 2026 compared with 7.9% by the end of 2025. EBIT for the last twelve months was DKK 1,172 million (FY 2025: DKK 1,142 million) and the last twelve months average invested capital was DKK 14,314 million (FY 2025: DKK 14,482 million). Our ambition is to deliver a ROIC above 11% in 2030.

For the first nine months of 2026, organic growth in EBIT before special items was 7.4% with an EBIT margin before special items at 16.1% (YTD Q3 2025: 15.0%). For the second half of the year, and as previously communicated, organic EBIT before special items and the EBIT margin are expected to decline compared with the second half of last year.

The free cash flow before acquisition was DKK 862 million in the first nine months of the year, including a recovery of receivables from last year of about DKK 200 million. The cash flow development supports our expectations for the full year of DKK 1.2-1.4 billion as updated on 1 October 2026 in relation to the closure of the divestments of BREAK and Moro. The ambition is to deliver a sustainable free cash flow before acquisitions of more than DKK 1.2 billion in 2030.

## Expectations for full-year 2026

Since the release of our interim report in August, we have not experienced any material changes to the market trends across our product categories. Year-to-date developments suggest a decline rate in the consumption of handmade cigars in the US to be slightly less than our full-year assumption of -4%, while the total market for machine-rolled cigars in our core European markets is estimated to decline slightly faster than our full year assumption of -3%.

The expectation to the Groups net sales growth at constant currencies is revised and is now seen at -2% to 0% reflecting that our assumptions for net sales are broadly unchanged and that the divestment of BREAK and Moro will have full impact in the fourth quarter. The previous expectation was a growth in the range -2% to +2%. The divestment of BREAK and Moro impacts fourth quarter reported net sales negatively by almost 4% and full-year 2026 net sales by about 1%.

We continue to expect the EBIT margin before special items to decline for the second half of 2026 compared with the same period last year as the strong third quarter results are partly driven by timing effects and as BREAK and Moro were sold with effect from 1 October.

However, year-to-date financial performance and higher income from tariff and duty refunds supports raising the expected EBIT margin before special items to the range 14.0%-15.5% (from 13.0%-14.5%).

Following the completion of the divestment of BREAK and Moro and as communicated 1 October in Company Announcement 10/2026, the expectation to the free cash flow before acquisitions and divestments was revised to the range of DKK 1.2-1.4 billion (from DKK 950-1,200 million). This expectation is maintained and includes the recovery in the collection of receivables during the first half of the year, the proceeds from the transfer of inventories in relation to the divestment of BREAK and Moro and special cash costs.

The expectation to adjusted earnings per share is raised to the range DKK 9.5-11.5 (from 9.0-11.0) reflecting the updated expectation to the EBIT margin before special items.

We expect the leverage ratio at about 2 times by the end of the year.

The execution of our strategy progresses well, and we expect to deliver further progress in our strategic priorities by growing our handmade cigars business and stabilising profits in our machine-rolled cigar business through improved market share performance. For the first nine months of next year, the divestment of BREAK and Moro will have a negative impact on reported net sales growth and profit margins with the two brands accounting for almost 4% of Group net sales and more than 6% of Group EBITDA before special

items. The return of the SAIL cigar trademark (previously Captain Black) in Canada is expected to partially offset these impacts to net sales growth and profit margins.

Changes in consumer behaviour across our product categories are still considered to be the largest uncertainty to the development in net sales and gross profit margins for the Group.

**Currency sensitivity**

Reported net sales for the Group will be impacted by approximately five percentage points by a ten-percentage point change in the USD/DKK exchange rate while the EBIT margins will only be marginally impacted. Based on the exchange rates as of 11 November 2026, we assume a negative translation impact for reported net sales of around DKK 50-100 million for full-year 2026.

**Other relevant assumptions:**

The reported effective tax rate at 23-24%, special items of DKK -225 to -275 million and special items with cash impact of DKK -225 to -275 million. Guidance and assumptions are based on no impact from potential new acquisitions and/or divestments.

# Summary of Group Financial performance

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 | 12M 2025 |
|---|---|---|---|---|---|
| Net sales | 2,434 | 2,357 | 6,627 | 6,692 | 9,036 |
| Gross profit before special items | 1,134 | 1,050 | 3,012 | 2,980 | 4,001 |
| EBITDA before special items | 610 | 519 | 1,445 | 1,335 | 1,791 |
| EBIT before special items | 484 | 407 | 1,064 | 1,002 | 1,342 |
| Special items | -43 | -41 | -178 | -146 | -200 |
| EBIT | 441 | 366 | 886 | 856 | 1,142 |
| Net financial items | -67 | -78 | -185 | -218 | -288 |
| Profit before tax | 382 | 295 | 720 | 657 | 878 |
| Income taxes | -88 | -68 | -166 | -151 | -208 |
| Net profit | 294 | 227 | 555 | 506 | 669 |
| | | | | | |
| **Other key financial data** | | | | | |
| Organic net sales growth | 2.1% | 0.3% | 0.5% | -4.0% | -3.1% |
| Gross margin before special items | 46.6% | 44.6% | 45.5% | 44.5% | 44.3% |
| EBITDA margin before special items | 25.1% | 22.0% | 21.8% | 19.9% | 19.8% |
| EBIT margin before special items | 19.9% | 17.3% | 16.1% | 15.0% | 14.9% |
| Free cash flow before acquisitions | 440 | 173 | 862 | 448 | 595 |

**Change in divisional reporting as own sales organization has been established in Norway**

Effective 1 June 2026 we established our own sales organization in Norway, whereby net sales and profits from the market as of the third quarter are reported in the division Europe Branded (“EUB”) moving from the division North America Branded & Rest of World (“NABROW”). EUB represents markets with our own sales organization in Europe, whereas markets where we do not have own sales organization in Europe is included in NABROW. Historical data for the divisions have not been adjusted. The calculation of net sales growth and profit margins for EUB and NABROW are impacted by the transfer of Norway with third quarter 2026 net sales of DKK 55 million, gross profit before special items of 50 million and an EBITDA before special items by DKK 44 million. Comparison to the third quarter last year for the two reporting divisions should take this into account.

## NET SALES

### 9M 2026

For the first nine months of 2026, reported net sales at DKK 6,627 million was 1% lower than last year. Exchange rate developments impacted growth by almost -2% with organic net sales being positive by almost 1%. For the three reporting divisions the organic net sales performance was 2% in North America Branded & Rest of World (“NABROW”) and 3% in North America Online & Retail (“NAOR”) while Europe Branded (“EUB”), declined by 3%.

### Q3 2026

For the third quarter of 2026, reported net sales at DKK 2,434 million increased by 3% compared with last year impacted by exchange rates developments by +1%. Organic net sales growth was 2%. By the reporting divisions the organic net sales performance was -1% in NABROW, 3% in NAOR and 5% in EUB.

## PROFITS AND CASH FLOW

### 9M 2026

For the first nine months of the year the gross profit before special items increased 1% to DKK 3,012 million with the gross margin before special items increasing to 45.5% compared with 44.5% last year (+100bp). The development reflects an increase in the gross margin in EUB (+270bp) and NAOR (+50bp) while the gross margin decreased in NABROW (-40bp).

Operating expenses was in line with last year and stood at DKK 1,683 million (DKK 1,683 million). OPEX ratio was 25.4% (25.1%). Other income was DKK 116 million (DKK 37 million) reflecting higher income from certain duty refunds.

EBITDA before special items increased to DKK 1,445 million (DKK 1,335 million) with a margin of 21.8% compared with 19.9% last year (+190bp). Other income impacted the margin by +120bp compared with last year.

EBIT before special items was DKK 1,064 million (DKK 1,002 million) with a margin of 16.1% compared with 15.0% last year. The increase in amortization of trademarks impacted the margin by -50bp compared with last year. Special items were DKK -178 million mainly relating to the ERP implementation project, “OneProcess” at DKK -97 million, Focus2030 reorganisations at DKK -40 million and the Mac Baren integration at DKK -25 million. Net profit was DKK 555 million (DKK 506 million).

Free cash flow before acquisitions was DKK 862 million (DKK 448 million). The development reflects the operational performance as well as an improvement compared with last year in changes in working capital (DKK -7 million compared with DKK -197 million last year). The timing in the collection of receivables from the fourth quarter 2025 to the first half of 2026 has impacted the free cash flow positively by approximately DKK 200 million. The free cash flow includes an income of DKK 41 million from sales of assets.

**Q3 2026**

For the third quarter of 2026 the gross profit before special items increased 8% to DKK 1,134 million with the gross margin before special items increasing to 46.6% compared with 44.6% last year (+200bp). The development reflects improved margins in all three commercial divisions with NABROW (+90bp), NAOR (+100bp) and EUB (390bp).

Operating expenses increased 2% to DKK 560 million (DKK 551 million) reflecting higher staff costs, but lower other external costs. The OPEX ratio was 23.0% (23.4%). Other income was DKK 37 million (DKK 19 million).

EBITDA before special items increased to DKK 610 million (DKK 519 million) with a margin of 25.1% compared with 22.0% last year (+310bp). Other income impacted the margin by +70bp compared with last year.

EBIT before special items increased to DKK 484 million (DKK 407 million) with a margin of 19.9% compared with 17.3% last year (+260bp). The development primarily reflects third quarter timing impacts in machine-rolled cigars and smoking tobacco. The increase in amortization of trademarks impacted the margin by -50bp compared with last year. Special items were DKK -43 million mainly relating to the ERP implementation project, “OneProcess” at DKK -34 million, the Solution Delivery Organisation at DKK -6 million and the Mac Baren integration at DKK -2 million. Net profit was DKK 294 million (DKK 227 million).

The free cash flow before acquisitions was DKK 440 million (DKK 173 million) driven by the operational performance and changes in working capital.

# Divisional Performance

## Europe Branded

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 | 12M 2025 |
|---|---|---|---|---|---|
| Net sales | 877 | 829 | 2,302 | 2,368 | 3,270 |
| Gross profit before special items | 468 | 410 | 1,154 | 1,124 | 1,566 |
| EBITDA before special items | 235 | 190 | 465 | 463 | 649 |
| | | | | | |
| **Other key financial data** | | | | | |
| Net sales growth | 5.8% | -2.4% | -2.8% | 5.6% | 5.8% |
| Organic net sales growth | 5.1% | -2.6% | -3.1% | -2.7% | -0.5% |
| Gross margin before special items | 53.4% | 49.5% | 50.1% | 47.4% | 47.9% |
| EBITDA margin before special items | 26.8% | 22.9% | 20.2% | 19.5% | 19.8% |

**9M 2026**

For the first nine months of 2026 reported net sales decreased by 3% compared to last year with immaterial impact from exchange rates. Organic net sales declined by 3% with all product categories delivering negative organic sales as result of negative growth during the first half of the year being partly offset by growth during the third quarter. The rare quality issue with raw tobacco for machine-rolled cigars which interrupted supply to key markets during the end of the second quarter and in parts of the third quarter has now been resolved with production and product availability normalising into the fourth quarter.

The gross margin before special items improved to 50.1% (+270bp compared with last year) driven by smoking tobacco products and increasing volumes in machine-rolled cigars in the third quarter. Both the gross margin and the EBITDA margin before special items were impacted by the move of Norway to Europe Branded in the third quarter and a write-down of obsoletes in relation to the raw tobacco quality issue during the second quarter.

**Q3 2026**

In the third quarter of 2026 reported net sales increased by 6% and organic net sales growth was 5% driven by a high single digit increase in Machine-Rolled Cigars & Smoking Tobacco while all other product categories declined. Organic net sales growth was positively impacted by the inclusion of sales from Norway, timing effects between quarters as machine-rolled cigars volumes recovered after a weak second quarter and as deliveries were brought forward from the fourth quarter to support availability at retail in the quarter ahead. Sales of the fine-cut tobacco brand BREAK also increased in the quarter. The brand was divested as of 1 October 2026.

The gross profit margin before special items was 53.4% (+390bp compared with last year) and the EBITDA margin before special items was 26.8% (+390bp compared with last year). The positive margin development for both gross profit and EBITDA is driven by changes in mix, increasing volumes of machine-rolled cigars and the inclusion of high margin net sales from Norway. The move of sales in Norway to the division increased the divisional gross margin positively by almost 260bp and the EBITDA margin by almost 330bp.

## North America Branded & Rest of World

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 | 12M 2025 |
|---|---|---|---|---|---|
| Net sales | 801 | 804 | 2,249 | 2,251 | 3,017 |
| Gross profit before special items | 374 | 367 | 1,049 | 1,058 | 1,388 |
| EBITDA before special items | 283 | 265 | 786 | 710 | 938 |
| | | | | | |
| **Other key financial data** | | | | | |
| Net sales growth | -0.3% | -4.0% | -0.1% | -0.8% | -3.9% |
| Organic net sales growth | -1.4% | 0.3% | 1.8% | -4.1% | -4.9% |
| Gross margin before special items | 46.6% | 45.7% | 46.6% | 47.0% | 46.0% |
| EBITDA margin before special items | 35.3% | 33.0% | 35.0% | 31.5% | 31.1% |

**9M 2026**
For the first nine months of 2026 reported net sales were unchanged compared to the first nine months last year. Exchange rate developments had a 2% negative impact on growth. Organic net sales increased by 2% driven by growth for Handmade Cigars as well as Machine-Rolled Cigars & Smoking Tobacco.

The gross margin before special items was 46.6% (-40bp compared with last year) explained primarily by Norway moving to Europe Branded. The EBITDA margin before special items was 35.0% (+350bp compared with last year) with the improvement driven by other income from certain duty refunds.

**Q3 2026**
For the third quarter of 2026 reported net sales were unchanged compared with last year with organic net sales decreasing 1%. Exchange rates impacted growth positively by 1%. The development in organic growth was driven by lower sales of accessories and the move of sales in Norway, partly being offset by positive organic growth in Machine-Rolled Cigars & Smoking Tobacco.

The gross profit margin before special items was 46.6% (+90bp compared with last year) and the EBITDA margin before special items was 35.3% (+230bp compared with last year). The improvement in the gross margin was driven by changes in mix while the additional improvement in the EBITDA margin was driven by other income from certain duty refunds. The removal of high margin net sales in Norway to Europe Branded reduced both the divisional gross margin and EBITDA margin by almost 290bp.

## North America Online & Retail

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 | 12M 2025 |
|---|---|---|---|---|---|
| Net sales | 756 | 724 | 2,076 | 2,073 | 2,749 |
| Gross profit before special items | 292 | 273 | 810 | 799 | 1,046 |
| EBITDA before special items | 120 | 100 | 305 | 269 | 347 |
| | | | | | |
| **Other key financial data** | | | | | |
| Net sales growth | 4.3% | -2.5% | 0.2% | -7.2% | -7.5% |
| Organic net sales growth | 2.6% | 3.6% | 3.3% | -5.3% | -4.1% |
| Gross margin before special items | 38.6% | 37.6% | 39.0% | 38.5% | 38.1% |
| EBITDA margin before special items | 15.9% | 13.7% | 14.7% | 13.0% | 12.6% |

**9M 2026**
For the first nine months of 2026 reported net sales were unchanged compared to the first nine months last year. Exchange rate developments had a 3% negative impact on growth. Organic net sales increased by 3% driven by a mid-single-digit growth for Handmade Cigars as well as Machine-Rolled Cigars & Smoking Tobacco, partly offset by a decrease in Other driven by lower sales of freight.

The gross margin before special items was 39.0% (+50bp compared with last year) and the EBITDA margin before special items was 14.7% (+170bp compared with last year). The improvement in the gross margin was driven by the execution of the commercial strategy embedded in Focus2030 and the additional improvement in the EBITDA margin was driven by scale benefits from increasing net sales and tariff refunds in the second quarter of the year.

**Q3 2026**
For the third quarter of 2026 reported net sales increased 4% with an organic net sales growth at 3%. Exchange rates impacted growth positively by almost 2%. The development in organic growth was driven by Handmade Cigars as well as Machine-Rolled Cigars & Smoking Tobacco, partly offset by a decrease in Other driven by lower sales of freight.

The gross profit margin before special items was 38.6% (+100bp compared with last year) and the EBITDA margin before special items was 15.9% (+220bp compared with last year). The improvement in the gross margin was driven by the execution of the commercial strategy and the additional improvement in the EBITDA margin was driven by scale.

## No changes to potential claim by Belgian tax authorities

Scandinavian Tobacco Group has disposed tobacco waste without respecting the correct formalities. This is currently being audited by the Belgian customs and excise authorities and there is a risk that they will require the Group to pay excise duties as if the waste had been sold on the market plus penalties and interest.

The Group is confident it can demonstrate that the waste has been destroyed and there is no risk of it having been sold on the market. Based on this, the Group does not consider it is liable for excise taxes. However, the outcome of the case is uncertain based on Belgian legal practice.

## Events after the reporting period

1 October 2026, the divestment of the fine-cut tobacco brands BREAK and Moro was completed. There are no other events than those mentioned in the above that have occurred after 30 September 2026 and that are expected to have material impact on the financial position of the Group.

## Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risk and uncertainties as various factors, many of which are beyond Scandinavian Tobacco Group's control, may cause actual developments and results to differ materially from the expectations set out in this report.

## Financial calendar for 2027

| | | |
|---|---|---|
| Annual Report 2026 | 3 March | 2027 |
| Annual General Meeting | 7 April | 2027 |
| Interim report Q1 2027 | 20 May | 2027 |
| Interim report Q2 2027 | 25 August | 2027 |
| Interim report Q3 2027 | 17 November | 2027 |

# Management Statement

The Board of Directors and the Executive Management have today considered and approved the Interim Report of Scandinavian Tobacco Group A/S for the period 1 January – 30 September 2026.

The interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for listed companies. The interim report has not been reviewed or audited.

In our opinion, the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of 30 September 2026 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 September 2026.

Furthermore, in our opinion this company announcement gives a fair review of the development and performance of the Group's activities and of the Group's results for the period and financial position taken as a whole, together with a description of the most significant risks and uncertainties that the Group may face.

Gentofte, 11 November 2026

## Executive Management

Niels Frederiksen
CEO

Marianne Rørslev Bock
CFO

## Board of Directors

Henrik Brandt
CHAIR

Anders C. Obel

Dianne Neal Blixt

Ricardo Cesar De Almeida Oberlander

Lars Dahlgren

Marlene Forsell

Karsten Dam Larsen

Thomas Thomsen

Hanne Malling

# CONSOLIDATED STATEMENT OF INCOME

**1 JANUARY - 30 SEPTEMBER**

| DKK million | Note | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 |
|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | |
| **Net sales** | **2** | **2,434.2** | **2,357.3** | **6,627.4** | **6,692.4** |
| Cost of goods sold | 2 | -1,300.7 | -1,307.1 | -3,615.1 | -3,712.1 |
| **Gross profit before special items** | **2** | **1,133.5** | **1,050.2** | **3,012.3** | **2,980.3** |
| Other external costs | 2 | -283.6 | -317.6 | -763.6 | -880.5 |
| Staff costs | 2 | -276.5 | -232.9 | -919.2 | -802.0 |
| Other income | | 36.7 | 18.9 | 115.9 | 36.9 |
| **Earnings before interest, tax, depreciation, amortisation and special items (EBITDA before special items)** | **2** | **610.1** | **518.6** | **1,445.4** | **1,334.7** |
| Depreciation and impairment | | -64.5 | -61.2 | -193.3 | -185.6 |
| **Earnings before interest, tax, amortisation and special items (EBITA before special items)** | | **545.6** | **457.4** | **1,252.1** | **1,149.1** |
| Amortisation and impairment | | -62.1 | -50.1 | -188.0 | -147.4 |
| **Earnings before interest, tax and special items (EBIT before special items)** | | **483.5** | **407.3** | **1,064.1** | **1,001.7** |
| Special items, costs and impairment | 3 | -43.0 | -41.3 | -178.4 | -145.8 |
| **Earnings before interest and tax (EBIT)** | | **440.5** | **366.0** | **885.7** | **855.9** |
| Share of profit of associated companies, net of tax | | 8.5 | 6.7 | 20.0 | 18.4 |
| Financial income | | 15.6 | 8.5 | 74.5 | 43.5 |
| Financial costs | | -82.3 | -86.1 | -259.8 | -261.0 |
| **Profit before tax** | | **382.3** | **295.1** | **720.4** | **656.8** |
| Income taxes | | -87.9 | -67.8 | -165.7 | -151.0 |
| **Net profit for the period** | | **294.4** | **227.3** | **554.7** | **505.8** |
| **Earnings per share** | | | | | |
| Basic earnings per share (DKK) | | 3.7 | 2.9 | 7.0 | 6.4 |
| Diluted earnings per share (DKK) | | 3.7 | 2.9 | 7.0 | 6.4 |
| **STATEMENT OF COMPREHENSIVE INCOME** | | | | | |
| Net profit for the period | | **294.4** | **227.3** | **554.7** | **505.8** |
| **OTHER COMPREHENSIVE INCOME** | | | | | |
| *Items that will be recycled subsequently to the Consolidated Income Statement, when specific conditions are met:* | | | | | |
| Foreign exchange adjustments on net investments in foreign operations | | 54.1 | 32.7 | 208.5 | -663.9 |
| **Other comprehensive income for the period, net of tax** | | **54.1** | **32.7** | **208.5** | **-663.9** |
| **Total comprehensive income for the period** | | **348.5** | **260.0** | **763.2** | **-158.1** |

## NET SALES

**Q3 2026**
In the third quarter of 2026, net sales were DKK 2,434 million (DKK 2,357 million). Adjusted for positive exchange rate impacts (DKK 27 million), the organic growth in net sales was positive by 2.1%. North America Online & Retail and Europe Branded delivered positive organic net sales growth while organic net sales growth in North America Branded & Rest of World was negative and offset the growth.

## PROFITS

**Q3 2026**
Gross profit before special items for the third quarter of 2026 increased by 8% compared to the same quarter last year and stood at DKK 1,134 million (DKK 1,050 million). Gross margin before special items increased to 46.6% (44.6%).

Operating expenses for the third quarter of 2026 increased by 2% compared to the same quarter last year and stood at DKK 560 million (DKK 551 million). The OPEX ratio decreased slightly to 23.0% (23.4%).

EBITDA before special items for the third quarter of 2026 increased by 18% compared to the same quarter last year and stood at DKK 610 million (DKK 519 million).

EBITDA margin before special items for the third quarter of 2026 was 25.1% (22.0%).

EBIT before special items for the third quarter of 2026 increased by 19% compared to the same quarter last year and stood at DKK 484 million (DKK 407 million). EBIT before special items increased organically by 17% compared with the third quarter last year.

EBIT margin before special items for the third quarter of 2026 was 19.9% (17.3%).

During the third quarter DKK 43 million (DKK 41 million) have been expensed as special items, mainly relating to the ERP implementation project, OneProcess, as well as integrations and reorganisations.

Net profit for the third quarter of 2026 increased by 30% compared to the same quarter last year and stood at DKK 294 million (DKK 227 million). Earnings Per Share (EPS) were DKK 3.7 (DKK 2.9). Earnings Per Share adjusted for special items, fair value adjustments and currency gains/losses, net of tax stood at DKK 4.2 (DKK 3.4).

**9M 2026**
In the first nine months of 2026, gross profit before special items was DKK 3,012 million (DKK 2,980 million) with a gross margin of 45.5% (44.5%). EBITDA before special items was DKK 1,445 million (DKK 1,335 million) with an EBITDA margin of 21.8% (19.9%). Special items of DKK 178 million were expensed (DKK 146 million) and net profit was DKK 555 million (DKK 506 million) with an EPS adjusted for special items, fair value adjustments and currency gains/losses, net of tax at DKK 8.6 (DKK 8.2).

# CONSOLIDATED BALANCE SHEET

## ASSETS

| DKK million | 30 September 2026 | 30 September 2025 | 31 December 2025 |
|---|---|---|---|
| **INTANGIBLE ASSETS** | | | |
| Goodwill | 5,176.4 | 5,072.0 | 5,071.8 |
| Trademarks | 2,893.4 | 3,035.6 | 3,003.0 |
| IT software | 158.5 | 187.1 | 179.7 |
| Other intangible assets | 317.3 | 355.3 | 345.2 |
| Intangible assets under development | 114.7 | 86.6 | 97.0 |
| **Total intangible assets** | **8,660.3** | **8,736.6** | **8,696.7** |
| | | | |
| Property, plant and equipment | 1,885.9 | 1,876.3 | 1,907.4 |
| Investments in associated companies | 263.2 | 242.5 | 243.6 |
| Deferred income tax assets | 124.8 | 111.2 | 114.2 |
| **Total non-current assets** | **10,934.2** | **10,966.6** | **10,961.9** |
| | | | |
| Inventories | 3,601.0 | 3,475.7 | 3,210.7 |
| Trade receivables | 1,439.4 | 1,360.2 | 1,429.6 |
| Other receivables | 176.1 | 113.2 | 167.3 |
| Corporate tax | 139.0 | 148.4 | 143.0 |
| Prepayments | 175.7 | 165.6 | 157.8 |
| Cash and cash equivalents | 30.1 | 97.5 | 197.7 |
| Assets classified as held for sale | - | 35.3 | 35.3 |
| **Total current assets** | **5,561.3** | **5,395.9** | **5,341.4** |
| | | | |
| **Total assets** | **16,495.5** | **16,362.5** | **16,303.3** |

## CONSOLIDATED BALANCE SHEET

### EQUITY AND LIABILITIES

| DKK million | 30 September 2026 | 30 September 2025 | 31 December 2025 |
|---|---|---|---|
| Share capital | 80.0 | 80.0 | 80.0 |
| Reserve for currency translation | 645.6 | 427.8 | 437.1 |
| Treasury shares | -33.5 | -36.4 | -35.0 |
| Retained earnings | 8,298.1 | 7,926.8 | 8,090.3 |
| **Total equity** | **8,990.2** | **8,398.2** | **8,572.4** |
| Borrowings | 3,398.5 | 3,954.9 | 3,726.6 |
| Deferred income tax liabilities | 685.2 | 722.6 | 701.7 |
| Pension obligations | 201.3 | 209.9 | 194.6 |
| Other provisions | 17.4 | 15.6 | 16.5 |
| Lease liabilities | 329.4 | 295.6 | 323.0 |
| Other liabilities | 35.8 | 34.2 | 34.8 |
| **Total non-current liabilities** | **4,667.6** | **5,232.8** | **4,997.2** |
| Borrowings | 1,100.3 | 1,150.0 | 1,150.0 |
| Credit facilities | - | - | 204.0 |
| Trade payables | 431.8 | 388.7 | 422.0 |
| Corporate tax | 25.0 | 90.1 | 30.4 |
| Other provisions | 15.3 | 22.8 | 18.4 |
| Lease liabilities | 66.6 | 57.9 | 61.1 |
| Other liabilities | 1,198.7 | 1,022.0 | 847.8 |
| **Total current liabilities** | **2,837.7** | **2,731.5** | **2,733.7** |
| **Total liabilities** | **7,505.3** | **7,964.3** | **7,730.9** |
| **Total equity and liabilities** | **16,495.5** | **16,362.5** | **16,303.3** |

## NET INTEREST-BEARING DEBT AND RETURN ON INVESTED CAPITAL

Net interest-bearing debt decreased by DKK 396 million to DKK 5,065 million versus the end of 2025. The leverage ratio (net interest-bearing debt to LTM EBITDA before special items) was 2.7 times and has decreased from 3.0 times at 31 December 2025.

The return on invested capital (ROIC) was 8.2% versus 7.9% by the end of 2025, explained mainly by a DKK 30 million improvement in EBIT. Invested capital was stable and stood at DKK 14.3 billion (DKK 14.5 billion end of 2025).

## CONSOLIDATED CASH FLOW STATEMENT

**1 JANUARY - 30 SEPTEMBER**

| DKK million | Q3 2026 | Q3 2025 | 9M 2026 | 9M 2025 |
|---|---|---|---|---|
| Net profit for the period | 294.4 | 227.3 | 554.7 | 505.8 |
| Depreciation, amortisation and impairment | 126.6 | 111.3 | 381.3 | 333.0 |
| Adjustments | 169.8 | 162.3 | 551.3 | 504.2 |
| Changes in working capital | 153.6 | -0.2 | -6.8 | -196.5 |
| Special items, paid | -47.1 | -57.1 | -160.5 | -188.9 |
| **Cash flow from operating activities before financial items** | **697.3** | **443.6** | **1,320.0** | **957.6** |
| Financial income received | 14.5 | 4.7 | 37.3 | 21.3 |
| Financial costs paid | -159.3 | -162.1 | -252.7 | -243.2 |
| **Cash flow from operating activities before tax** | **552.5** | **286.2** | **1,104.6** | **735.7** |
| Tax payments | -87.4 | -63.4 | -197.3 | -186.1 |
| **Cash flow from operating activities** | **465.1** | **222.8** | **907.3** | **549.6** |
| Acquisitions | - | - | - | -4.3 |
| Investment in intangible assets | -7.9 | -6.3 | -22.4 | -13.1 |
| Investment in property, plant and equipment | -25.5 | -47.1 | -74.0 | -107.5 |
| Sale of property, plant and equipment | 4.4 | 0.9 | 40.9 | 10.0 |
| Dividend from associated companies | 3.6 | 2.6 | 9.8 | 9.0 |
| **Cash flow from investing activities** | **-25.4** | **-49.9** | **-45.7** | **-105.9** |
| **Free cash flow** | **439.7** | **172.9** | **861.6** | **443.7** |
| Repayment of lease liabilities | -21.0 | -18.0 | -60.8 | -59.6 |
| RCF and bank loan | -451.4 | 730.4 | -410.5 | 1,090.4 |
| Repurchase of bonds | - | -846.9 | - | -846.9 |
| Repayment bank loans | -0.2 | -8.4 | -0.7 | -10.3 |
| Dividend payment | - | -0.1 | -354.4 | -669.3 |
| **Cash flow from financing activities** | **-472.6** | **-143.0** | **-826.4** | **-495.7** |
| **Net cash flow for the period** | **-32.9** | **29.9** | **35.2** | **-52.0** |
| Cash and cash equivalents, net at 1 July / 1 January | 61.6 | 67.9 | -6.3 | 160.1 |
| Exchange gains/losses on cash and cash equivalents | 1.4 | -0.3 | 1.2 | -10.6 |
| Net cash flow for the period | -32.9 | 29.9 | 35.2 | -52.0 |
| **Cash and cash equivalents, net at 30 September** | **30.1** | **97.5** | **30.1** | **97.5** |

## CASH FLOW

**Q3 2026**
Cash flow from operations before changes in working capital in the third quarter of 2026 was DKK 312 million (DKK 223 million). The development was mainly driven by the operational performance and slightly lower net financial costs, partly offset by higher tax payments in the third quarter of 2026 compared to the same quarter last year.

Changes in working capital in the third quarter of 2026 had a positive impact on the cash flow of DKK 154 million (DKK -0.2 million). Reduced trade receivables and a higher level of payables were the main contributors to the positive development compared to the same quarter last year.

Cash flow from investing activities in the third quarter of 2026 amounted to DKK -25 million (DKK -50 million), mainly related to investment in property, plant and equipment.

Cash flow from financing activities in the third quarter of 2026 amounted to DKK -473 million (DKK -143 million). The third quarter of 2026 was mainly impacted by repayment of short-term funding.

Free cash flow before acquisitions in the third quarter of 2026 was positive by DKK 440 million (DKK 173 million). The cash conversion ratio was 133% (106%).

**9M 2026**
For the first nine months of 2026 cash flow from operations before changes in working capital was DKK 914 million (DKK 746 million). Working capital had a negative impact of DKK 7 million (DKK -197 million). Reduced receivables and a higher level of payables contributed to the positive development in working capital, though partly offset by negative impact coming from increased inventories.

Free cash flow before acquisitions for the first nine months of 2026 was positive by DKK 862 million (DKK 448 million) and the cash conversion ratio was 115% (96%).

## STATEMENT OF CHANGES IN GROUP EQUITY

**1 JANUARY - 30 SEPTEMBER 2026**

| DKK million | Share capital | Reserve for currency translation | Treasury shares | Retained earnings | Total |
|---|---|---|---|---|---|
| **Equity at 1 January 2026** | **80.0** | **437.1** | **-35.0** | **8,090.3** | **8,572.4** |
| *Comprehensive income for the period* | | | | | |
| **Net profit for the period** | **-** | **-** | **-** | **554.7** | **554.7** |
| *Other comprehensive income* | | | | | |
| Foreign exchange adjustments on net investments in foreign operations | - | 208.5 | - | - | **208.5** |
| **Total other comprehensive income** | **-** | **208.5** | **-** | **-** | **208.5** |
| **Total comprehensive income for the period** | **-** | **208.5** | **-** | **554.7** | **763.2** |
| *Transactions with shareholders* | | | | | |
| Share-based payments | - | - | - | 9.1 | **9.1** |
| Settlement of vested PSUs | - | - | 1.5 | -1.5 | **-** |
| Settlement in cash of vested PSU's | - | - | - | -0.1 | **-0.1** |
| Dividend paid to shareholders | - | - | - | -360.0 | **-360.0** |
| Dividend, treasury shares | - | - | - | 5.6 | **5.6** |
| **Total transactions with shareholders** | **-** | **-** | **1.5** | **-346.9** | **-345.4** |
| **Equity at 30 September 2026** | **80.0** | **645.6** | **-33.5** | **8,298.1** | **8,990.2** |

## EQUITY

Total shareholders' equity as of 30 September 2026 amounted to DKK 8,990 million (DKK 8,572 million on 31 December 2025). The equity was positively impacted by profit for the period and foreign exchange adjustments on net investments in foreign operations. The positive impact was partly offset by negative impact from dividend payment to shareholders.

As of 30 September 2026, the equity ratio was 54.5% (52.6% on 31 December 2025).

## STATEMENT OF CHANGES IN GROUP EQUITY
**(Continued)**

**1 JANUARY - 30 SEPTEMBER 2025**

| DKK million | Share capital | Reserve for currency translation | Treasury shares | Retained earnings | Total |
|---|---|---|---|---|---|
| **Equity at 1 January 2025** | **86.0** | **1,091.7** | **-787.8** | **8,827.1** | **9,217.0** |
| *Comprehensive income for the period* | | | | | |
| **Net profit for the period** | **-** | **-** | **-** | **505.8** | **505.8** |
| *Other comprehensive income* | | | | | |
| Foreign exchange adjustments on net investments in foreign operations | - | -663.9 | - | - | **-663.9** |
| **Total other comprehensive income** | **-** | **-663.9** | **-** | **-** | **-663.9** |
| **Total comprehensive income for the period** | **-** | **-663.9** | **-** | **505.8** | **-158.1** |
| *Transactions with shareholders* | | | | | |
| Capital reduction | -6.0 | - | 751.4 | -745.4 | **-** |
| Share-based payments | - | - | - | 8.6 | **8.6** |
| Dividend paid to shareholders | - | - | - | -731.0 | **-731.0** |
| Dividend, treasury shares | - | - | - | 61.7 | **61.7** |
| **Total transactions with shareholders** | **-6.0** | **-** | **751.4** | **-1,406.1** | **-660.7** |
| **Equity at 30 September 2025** | **80.0** | **427.8** | **-36.4** | **7,926.8** | **8,398.2** |

## NOTES

### NOTE 1

### BASIS OF PREPARATION

The interim consolidated financial statements for the third quarter of 2026, ending 30 September 2026, has been prepared in accordance with IAS 34, Interim Financial Reporting, and additional Danish disclosure requirements for listed companies.

The interim consolidated financial statements do not include all the information and disclosures as required for the annual financial statements and should therefore be read in conjunction with the information and disclosures given in the Group's Annual Report for 2025.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in preparation of Group's Annual Report for 2025, except for the adoption of new and amended accounting standards effective as of 1 January 2026.

Based on an assessment of new or amended and revised accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and endorsed by the European Union effective on or after 1 January 2026, it has been assessed that the application of these new accounting standards has not had a material impact on the consolidated financial statements.

The Group has not adopted any new standards, interpretations or amendments that have been issued but are not effective yet.

**Significant accounting estimates**

The estimates made by STG in the determination of the carrying amounts of assets and liabilities are based on assumptions that are subject to future events. For a description of risks and accounting estimates, refer to the Annual Report for 2025.

NOTE 2

## SEGMENT INFORMATION AND NET SALES

| 9M 2026<br>DKK million | North America Online & Retail | North America Branded & RoW | Europe Branded | Group costs / not allocated | Total |
|---|---|---|---|---|---|
| Net sales | 2,076.5 | 2,249.2 | 2,301.7 | - | 6,627.4 |
| Cost of goods sold | -1,266.3 | -1,200.7 | -1,148.1 | - | -3,615.1 |
| **Gross profit before special items** | **810.2** | **1,048.5** | **1,153.6** | **-** | **3,012.3** |
| Staff and other external costs | -504.8 | -378.1 | -689.0 | -110.9 | -1,682.8 |
| Other income | - | 115.9 | - | - | 115.9 |
| **EBITDA before special items** | **305.4** | **786.3** | **464.6** | **-110.9** | **1,445.4** |
| Depreciation and impairment | | | | -193.3 | -193.3 |
| Amortisation and impairment | | | | -188.0 | -188.0 |
| **EBIT before special items** | | | | **-492.2** | **1,064.1** |
| Special items, costs and impairment | | | | -178.4 | -178.4 |
| **EBIT** | | | | **-670.6** | **885.7** |
| Share of profit of associated companies, net of tax | | | | 20.0 | 20.0 |
| Financial income | | | | 74.5 | 74.5 |
| Financial costs | | | | -259.8 | -259.8 |
| **Profit before tax** | | | | **-835.9** | **720.4** |

| 9M 2025<br>DKK million | North America Online & Retail | North America Branded & RoW | Europe Branded | Group costs / not allocated | Total |
|---|---|---|---|---|---|
| Net sales | 2,073.2 | 2,251.2 | 2,368.0 | - | 6,692.4 |
| Cost of goods sold | -1,274.3 | -1,193.4 | -1,244.4 | - | -3,712.1 |
| **Gross profit before special items** | **798.9** | **1,057.8** | **1,123.6** | **-** | **2,980.3** |
| Staff and other external costs | -529.7 | -384.7 | -660.9 | -107.2 | -1,682.5 |
| Other income | - | 36.9 | - | - | 36.9 |
| **EBITDA before special items** | **269.1** | **709.9** | **462.6** | **-107.2** | **1,334.7** |
| Depreciation and impairment | | | | -185.6 | -185.6 |
| Amortisation and impairment | | | | -147.4 | -147.4 |
| **EBIT before special items** | | | | **-440.2** | **1,001.7** |
| Special items, costs and impairment | | | | -145.8 | -145.8 |
| **EBIT** | | | | **-586.0** | **855.9** |
| Share of profit of associated companies, net of tax | | | | 18.4 | 18.4 |
| Financial income | | | | 43.5 | 43.5 |
| Financial costs | | | | -261.0 | -261.0 |
| **Profit before tax** | | | | **-785.1** | **656.8** |

## NOTE 2

## SEGMENT INFORMATION AND NET SALES (continued)

**9M 2026**

DKK million

| Category split, net sales | North America Online & Retail | North America Branded & RoW | Europe Branded | Total |
|---|---|---|---|---|
| Handmade cigars | 1,591.4 | 761.2 | 73.9 | 2,426.5 |
| Machine-rolled cigars & smoking tobacco * | 273.3 | 1,120.4 | 1,934.6 | 3,328.3 |
| Next Generation Products | - | 34.0 | 251.9 | 285.9 |
| Other ** | 211.8 | 333.6 | 41.3 | 586.7 |
| **Total net sales** | **2,076.5** | **2,249.2** | **2,301.7** | **6,627.4** |
| | | | | |
| * License income and other sales included | - | 12.8 | - | 12.8 |
| ** License income and other sales included | 25.7 | 30.6 | 3.2 | 59.5 |
| **Total License income and other sales included** | **25.7** | **43.4** | **3.2** | **72.3** |

**9M 2025**

DKK million

| Category split, net sales | North America Online & Retail | North America Branded & RoW | Europe Branded | Total |
|---|---|---|---|---|
| Handmade cigars | 1,549.6 | 749.2 | 92.9 | 2,391.8 |
| Machine-rolled cigars & smoking tobacco * | 272.6 | 1,125.5 | 1,948.7 | 3,346.8 |
| Next Generation Products | - | 37.2 | 262.3 | 299.6 |
| Other ** | 251.0 | 339.2 | 64.0 | 654.2 |
| **Total net sales** | **2,073.2** | **2,251.2** | **2,368.0** | **6,692.4** |
| | | | | |
| * License income and other sales included | - | 13.1 | - | 13.1 |
| ** License income and other sales included | 23.4 | 21.1 | 4.8 | 49.4 |
| **Total License income and other sales included** | **23.4** | **34.2** | **4.8** | **62.4** |

| DKK million | 9M 2026 | 9M 2025 |
|---|---|---|
| **Geographical split, net sales** | | |
| Americas | 3,475.4 | 3,446.8 |
| Europe | 2,707.1 | 2,851.5 |
| Rest of World | 444.9 | 394.1 |
| **Total net sales** | **6,627.4** | **6,692.4** |

## NOTE 3

## SPECIAL ITEMS

| DKK million | 9M 2026 | 9M 2025 |
|---|---|---|
| Integration and transaction costs (Mac Baren) | 25.1 | 25.7 |
| One Commercial Organisation | - | 4.3 |
| OneProcess | 97.4 | 96.8 |
| Focus2030 reorganisation | 39.7 | - |
| Solution Delivery Organisation | 16.2 | 19.0 |
| **Total special items** | **178.4** | **145.8** |

## NOTE 4

### CONTINGENT LIABILITIES

Scandinavian Tobacco Group has disposed tobacco waste without respecting the correct formalities. This is currently being audited by the Belgian customs and excise authorities and there is a risk that they will require the Group to pay excise duties (estimated at EUR 7-9 million) as if the waste had been sold on the market plus penalties and interest. The Group does not consider it is liable for excise taxes. However, the outcome of the case is uncertain based on Belgian legal practice and therefore no provision has been recognised.