

**Company Announcement**

No. 11/2021

Copenhagen, 10 March 2021

Initiation of new share buy-back programme of up to DKK 600 million

The Board of Directors of Scandinavian Tobacco Group A/S has decided to initiate a new share-buy-back programme.

The purpose of the share buy-back programme is to adjust the Group's capital structure and meet obligations relating to the Group's share-based incentive programme. The Board of Directors intends to propose to the annual general meeting in 2022 that the shares acquired under the programme, that are not needed to meet the Group's obligations under the incentive programme, be cancelled.

The share buy-back programme will run from 11 March 2021 to 28 February 2022 at the latest. The Company may terminate the programme at any time. Scandinavian Tobacco Group will buy its own shares up to an aggregated price of DKK 600 million in accordance with Regulation No. 596/2014 of the European Parliament and Council of 16 April 2014 (the "Market Abuse Regulation") and Commission Delegated Regulation (EU) 2016/1052, also referred to as the Safe Harbour rules.

The programme is initiated based on the Company's articles of association which currently authorise the Company to acquire up to nominally DKK 10 million own shares. At the general meeting of the Company to take place on 14 April 2021, the Board of Directors will propose that the Company's share capital is reduced from nominally DKK 100 million to DKK 97.5 million on account of treasury shares acquired by the Company under the share buy-back programme announced on 28 August 2020. Furthermore, as a consequence of the proposed reduction of the share capital the Board of Directors will propose an amendment to the current authorisation to acquire own shares, so that in the period until 26 March 2025, the Board of Directors be authorised to allow the Company to acquire its own shares up to an aggregate of 10 % of the share capital (vs. as mentioned currently nominally DKK 10 million) at a price deviating by no more than 10 % from the listed price at the time of the acquisition. Prior to the share buy-back, Scandinavian Tobacco Group holds a total of 3,234,248 treasury shares, corresponding to 3.23% of the total share capital.

Under the share buy-back programme, the Company may, based on the current authorisation to the Board of Directors repurchase up to a total of 6,765,752 shares, corresponding to approx. 6.77% of the current share capital, at an aggregate purchase price of up to DKK 600 million. Assuming the abovementioned proposals concerning reduction of the share capital and a new authorisation of the Board of Directors to acquire own shares are adopted by the general meeting, the Company may under the programme repurchase a total of 9,015,752 shares, corresponding to 9,25% of the share capital after the proposed reduction, at an aggregate purchase price of up to DKK 600 million. The Company will issue an update on the number of shares that may be acquired under the buy-back programme following the general meeting on 14 April 2021.

Scandinavian Tobacco Group has appointed Nordea Danmark, Filial af Nordea Bank Abp, Finland ("Nordea") as lead manager for the share buy-back programme. Nordea will make its own trading decisions independently of and without influence from Scandinavian Tobacco Group and execute the buy-back within the announced limits.

No shares may be bought at a price exceeding the higher of (i) the price of the last independent trade and (ii) the highest current independent purchase bid on the trading venue where the purchase is carried out.

The maximum number of shares that may be purchased on each business day may not exceed 25% of the average daily trading volume over the last 20 trading days prior to the date of purchase on the trading venue where the purchase is carried out.

Scandinavian Tobacco Group will report on trade activity under the share buy-back programme in weekly company announcements.

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About Scandinavian Tobacco Group

Scandinavian Tobacco Group A/S is a world-leading manufacturer of cigars and pipe tobacco with an annual production of four billion cigars and 5,000 tonnes of pipe and fine-cut tobacco.

The Group holds market-leading positions in several categories and has a portfolio of more than 200 global and local brands.

Scandinavian Tobacco Group has its headquarters in Copenhagen, Denmark – and employs approximately 11,000 people in Europe, the US, Canada, Australia, New Zealand, the Dominican Republic, Honduras, Nicaragua, Indonesia and Sri Lanka. For more information please visit www.st-group.com