



Press release

Copenhagen, 18 November 2021

Scandinavian Tobacco Group A/S acquires majority stake in Italian cigar company

Scandinavian Tobacco Group A/S has today completed the acquisition of a majority stake in Moderno Opificio del Sigaro Italiano, MOSI - an Italian cigar company with approximately 40 employees and production facilities in Orsago in the northern part of Italy.

MOSI was founded in 2013 by Mr. Cesare Pietrella. The company produces high quality traditional Italian machine-rolled cigars with a blend of Italian and American Kentucky tobaccos, grown on plantations in Northern Italy and in the United States. With a small exclusive offering under the brand "Ambasciator Italice", MOSI has gained a market share of approximately 9% in Italy for traditional machine-rolled cigars.

The acquisition is a testament to Scandinavian Tobacco Group's continued commitment to M&A and in line with its strategy "Rolling Towards 2025". It strengthens the company's share of the Italian machine-rolled cigar market - one of the largest cigar markets in Europe - and further grows its leadership in the machine-rolled cigar category in Europe.

Jurjan Klep, Senior Vice President of the Europe Branded division in Scandinavian Tobacco Group says: "We are excited about this acquisition. With a majority stake in MOSI we are acquiring modern cigarmaking craftsmanship and a premium brand that will increase our offering to our consumers and the opportunity to take further market share in an important market. This is our 5th acquisition since 2016 and I look forward to further cementing our proven track record of creating value from acquisitions of brands and businesses."

Mr. Cesare Pietrella, founder and President of MOSI says: "Together with Scandinavian Tobacco Group, MOSI and Ambasciator Italice are well positioned for growth and the acquisition will invigorate the Italian cigar market and benefit Italian cigars smokers, customers and tobacco farmers".

For further information, please contact:

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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 headquarter 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