



**Scandinavian Tobacco Group A/S
(the "Issuer")**

*(incorporated with limited liability under
the laws of the Kingdom of Denmark)*

**EUR 300,000,000
4.875 per cent. Notes due 12 September 2029**

The issue price of the EUR 300,000,000 fixed rate Notes due 12 September 2029 (the "Notes") of the Issuer is 99.831 per cent. of their principal amount.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 12 September 2029 (the "**Maturity Date**"). The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the Kingdom of Denmark. The Notes may also be redeemed at the option of the Issuer, in whole but not in part: (a) pursuant to Condition 5(e) (*Redemption at the option of the Issuer (Make-Whole Call)*) at the Make Whole Redemption Price (as defined herein) at any time from, but excluding, the Issue Date to, but excluding 12 June 2029 (the "**Par Call Date**"); or (b) pursuant to Condition 5(d) (*Redemption at the option of the Issuer (Par Call)*) at their principal amount on any date from, and including, the Par Call Date to, but excluding, the Maturity Date. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at its principal amount in certain circumstances. See "*Terms and Conditions of the Notes—Redemption and Purchase*".

The Notes will bear interest from 12 September 2024 at the rate of 4.875 per cent. per annum payable annually in arrear on 12 September in each year commencing on 12 September 2025, subject to a Rate Adjustment in the event of a Step Up Event and any subsequent Step Down Event as described in Condition 4 (*Interest*).

Payments on the Notes will be made in euros without deduction for or on account of taxes imposed or levied by the Kingdom of Denmark to the extent described under "*Terms and Conditions of the Notes — Taxation*".

This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for the purpose of giving information with regard to the issue of the Notes. The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval relates only to the Notes which are to be admitted to trading on The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"). Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes. Investors should make their own assessment as to the suitability of investing in such Notes. There can be no assurance that any such admission to trading will be obtained.

Application will be made to Euronext Dublin for the Notes to be admitted to the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, "**MiFID II**").

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "**Securities Act**") and are subject to United States ("**U.S.**") tax law requirements. The Notes are being offered outside the U.S. by the Joint Bookrunners (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around 12 September 2024 (the "**Closing Date**") with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR 100,000 and higher integral multiples of EUR 1,000 and with interest coupons attached. See "*Summary of Provisions Relating to the Notes in Global Form*".

The Notes are expected to be rated Baa3 by Moody's Italia S.r.l. ("**Moody's**"). Moody's is established in the European Economic Area (the "**EEA**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). The rating Moody's has given to the Notes is expected to be endorsed by Moody's Investors Service Ltd., which is established in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). In accordance with Moody's ratings definitions available as at the date of this Prospectus on <https://www.moodys.com/ratings-process/Ratings-Definitions/002002>, obligations rated "Baa" are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Bookrunners

CITIGROUP

DANSKE BANK

JYSKE BANK

NORDEA

10 September 2024

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has confirmed to the Joint Bookrunners named under "*Subscription and Sale*" below (the "**Joint Bookrunners**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

Neither the Joint Bookrunners nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S. \$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro. References to "**billions**" are to thousands of millions.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with the issue of the Notes, Nordea Bank Abp (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD LOOKING STATEMENTS – This Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	Scandinavian Tobacco Group A/S
Joint Bookrunners:	Citigroup Global Markets Europe AG Danske Bank A/S Jyske Bank A/S Nordea Bank Abp
The Notes:	EUR 300,000,000 4.875 per cent. Notes due 12 September 2029
Issue Price:	99.831 per cent. of the principal amount of the Notes.
Issue Date:	Expected to be on or about 12 September 2024
Use of Proceeds:	The net proceeds will be used for the Group's general corporate purposes, including to refinance certain existing debt. See " <i>Use and Estimated Net Amount of Proceeds</i> ".
Interest:	The Notes will bear interest from 12 September 2024 at a rate of 4.875 per cent. per annum payable annually in arrear on 12 September in each year commencing 12 September 2025, subject to a Rate Adjustment in the event of a Step Up Event and any subsequent Step Down Event as described in Condition 4 (<i>Interest</i>).
Status:	The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer.
Form and Denomination:	The Notes will be issued in bearer form in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Temporary Global Note and the Permanent Global Note are to be issued in new global note form.
Final Redemption:	12 September 2029.
Optional Redemption:	The Notes may be redeemed at any time prior to 12 June 2029 at the option of the Issuer (in whole but not in part) at the Make Whole Redemption Price, as described in Condition 5(e) (<i>Redemption at the option of the Issuer (Make-Whole Call)</i>). The Notes may be redeemed from and including 12 June 2029 to but excluding the Maturity Date at the option of the Issuer (in whole but not in part) at their principal amount, as described in Condition 5(d) (<i>Redemption at the option of the Issuer (Par Call)</i>). The Notes may also be redeemed at their principal amount in the event that an aggregate amount equal to or exceeding 80 per cent. of the initial aggregate principal amount of the Notes have been purchased or redeemed and cancelled by the Issuer, as described in

Condition 5(f) (*Redemption at the option of the Issuer (Clean-up Call)*).

Put Event:	Upon the occurrence of a Change of Control Put Event (as defined in Condition 5(c) (<i>Redemption at the option of the Noteholders in the event of a Change of Control (Put Option)</i>)), each Noteholder shall have the option to require the Issuer to redeem the Notes of such holder at a cash purchase price equal to the principal amount thereof plus accrued interest as described in Condition 5(c) (<i>Redemption at the option of the Noteholders in the event of a Change of Control (Put Option)</i>).
Tax Redemption:	In the event of certain tax changes, the Issuer may redeem the Notes in whole, but not in part, at any time at an amount equal to their principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption, as more fully provided in Condition 5 (<i>Redemption and Purchase</i>).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 3 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default provision as described in Condition 8 (<i>Events of Default</i>).
Rating:	<p>The Notes are expected to be rated Baa3 by Moody's. Such credit rating will be assigned to the Notes at the request of the Issuer and in cooperation with the Issuer.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.</p> <p>Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.</p>
Withholding Tax:	All payments of principal and interest in respect of the Notes and the Coupons made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Denmark, or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such

withholding or deduction been required. See further Condition 7 (*Taxation*).

Governing Law: The Notes, the Agency Agreement and the Deed of Covenant will be governed by English law.

Listing and Trading: Application has been made for the Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin.

Estimate of the total expenses related to the admission to trading EUR 5,500

Clearing Systems: Euroclear and Clearstream, Luxembourg

Selling Restrictions: See "*Subscription and Sale*".

Risk Factors: Investing in the Notes involves risks. See "*Risk Factors*".

Financial Information: See "*—Description of the Issuer — Selected Financial Information*".

RISK FACTORS

The Issuer believes that the following factors may adversely affect the Issuer and its subsidiaries' (the "Group") operations or financial condition and cause harm to the Group's reputation and thereby affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes. Depending on the magnitude of the materialisation of one or more of the factors described below, this may have a material adverse effect on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes. Additional risks and uncertainties relating to the Issuer and the Group that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business activities, results of operations, financial condition and cash flows of the Issuer and the Group and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

In each sub-section below, the Issuer has arranged the risks with the most material risks first, in its assessment, considering the expected magnitude of their negative impact and the possibility of their occurrence.

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Group and the industry in which it operates together with all other information contained in this Prospectus, including in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

Risks Relating to the Issuer and the Group

1. Risks Relating to the Group's Industry

Changes in excise tax rates on tobacco products, in particular alignment of excise tax rates across tobacco product categories, could have a material adverse effect on demand for the Group's products

Excise tax rates are a major component of the retail price of tobacco products. The Group typically seeks to increase the sales price of its tobacco products to cover any increase in excise taxes. However, reflecting part of or all of an excise tax increase through an increase in the sales price may reduce consumption or cause demand to shift towards lower priced products or different product categories, or otherwise adversely affect demand for the Group's products. On the other hand, absorbing a tax increase without a sales price increase would directly reduce the Group's profitability. The Group is therefore sensitive to any movement in excise taxes.

Excise taxes on tobacco products in various countries around the world are considered a source of public finance and a measure to regulate consumption and promote public health. As such, the level of tobacco excise tax in individual jurisdictions is typically based on a number of factors, including fiscal, social and public health factors, and often takes the price level and excise tax rate on tobacco products in neighbouring jurisdictions and the impact on any cross-border trade into consideration.

- In the EU, the excise tax structures and minimum excise tax rates are prescribed by the EU Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco products (the "TED"). Any EU member state may set excise tax rates higher than the minimum required by the TED. The TED has been under statutory review, and in 2020 the European Commission presented its evaluation report. The report concluded that the effectiveness of the TED had reduced over time and that the existing provisions are unfit to address the future challenges, including the challenges related to new product categories. Further, the report concluded that there is a lack of convergence of the excise tax levels across the EU and that the level of tobacco consumers remains higher than expected. There is a risk that a potential amendment

to the TED (or the introduction of new regulation in the EU) will lead to higher excise tax on the Group's products in the EU, including in the form of an alignment of the excise tax level applicable to various tobacco product categories, such as an alignment of the excise tax level for cigars with that applicable to cigarettes, or the introduction of excise tax applicable to products not covered by the TED, for example nicotine pouches (see "*Risks Relating to the Group's Industry—Regulatory implications on products in growth product segments may impact the Group's business and future sales growth*"). Higher tobacco excise tax would generally have an impact on the consumer prices and could, therefore, influence consumer demand.

- In the U.S., federal excise tax is levied on all tobacco products upon production or importation into the U.S., and individual states levy additional state excise taxes on tobacco products. The state excise tax rates vary considerably across the states. Online sales of tobacco products are subject to a requirement that the seller collects the sales tax applicable in the state where the customer is residing, and some states also require online sellers to collect tobacco excise tax. Increases in tobacco related taxes in the U.S. may lead to a lower demand for the Group's products. The introduction of new tobacco related taxes or changes to excise tax structures can limit the Group's ability to increase the prices on tobacco products or necessitate absorption of tax increases. Further, structural changes on the collection of excise tax may introduce further administrative obligations of the Group. Additional sales and excise collection obligations levied on remote sellers in the U.S. could have a material adverse effect on the Group's sales volumes and revenues and, therefore, on its business, financial condition and results of operations.

In many of the Group's markets, tobacco excise tax rates vary by product category and most tobacco product categories, notably cigarettes, cigars, pipe tobacco and fine-cut tobacco, are generally defined in the relevant tobacco excise regulations. Certain tobacco product categories are not subject to existing excise tax regulation but may be in the future.

Generally, considered as a percentage of the retail price, the excise tax rate is often higher for cigarettes than for fine-cut tobacco and cigars, and higher for fine-cut tobacco than for pipe tobacco due to the tax bearing capacity of the respective product category, demand patterns and considerable differences in the cost of the finished products (raw materials and production costs). This is reflected in, for example, the TED. Given the Group's different product offerings, the variation of excise taxes levied on each product category and the exact definitions of each such category are of significant importance to the Group. A complete or partial alignment of excise tax rates across product categories, including as a consequence of changed definitions of the various tobacco categories or changes in the excise tax structures or excise tax rates applicable to the Group's product categories, could affect the retail prices of the Group's products. This, in turn, could adversely affect the Group's ability to attract consumers to its product categories and consumers of the Group's products may stop using certain products offered by the Group or switch to other product categories.

Unusually large shifts in volumes from one category to another (e.g., from fine-cut tobacco to pipe tobacco) may indicate to regulators that the excise tax rates or structure should be revised to preserve revenue, limit consumption and eliminate exploitation of the excise differences.

Any of the above could have a material adverse effect on Group's market share, sales volumes or gross profit on its products and, therefore, on its business, financial condition and results of operations.

The Group is already subject to and faces increasing tobacco product related regulation, which could have a material adverse effect on its business, financial condition and results of operations

The World Health Organisation's (the "**WHO**") Framework Convention on Tobacco Control ("**FCTC**") has globally been ratified by 182 countries as of the date of this Prospectus. The FCTC has led to increased efforts by tobacco control advocates and public health organisations to reduce the supply of and demand for tobacco products, encourage governments to further regulate the tobacco industry and exclude the industry from consultation processes. The WHO and anti-smoking groups also seek to diminish the social acceptability of smoking. The Group expects further tobacco regulation in most of the markets in which it operates, driven by the FCTC and by regulatory measures undertaken by the EU, the U.S. Food and Drug Administration (the "**FDA**") and other national regulators.

As part of the EU Commission's "Europe's Beating Cancer Plan" presented in 2021, a policy has been initiated with the aim of creating a "Tobacco-Free Generation" by 2040. This includes the aim that less than

5 per cent. of the population in EU uses tobacco by 2040, compared to around 25 per cent. when the initiative was published.

Most of the countries in which the Group operates have implemented regulation on tobacco products which restricts the way the Group can produce and market its products. Restrictions include (among others) restrictions on the product design, development, content, production, labelling, packaging, distribution, promotion, marketing, advertising, display, sale and consumption of tobacco products.

- In the EU, the European Union has adopted the EU Tobacco Products Directive (2014/40/EU) as amended by EU Commission Delegated Directive 2022/2100 (the "**TPD**"), which regulates the manufacture, presentation and sale of tobacco products in the EU and which has been implemented in all member states. The TPD sets out restrictive measures on how tobacco products can be produced, presented and sold and aims to align the regulation of tobacco products across the EU member states. The restrictions include, among others, a prohibition of cigarettes, roll-your-own tobacco and heated tobacco products with characterising flavours. Further, the TPD includes a requirement to report to EU countries on the ingredients used in tobacco products. The TPD also requires tobacco manufacturers to "track and trace" product movements within the EU and enable such tracking in the supply chain up to arrival with the retailer. This increases costs and complexity in the manufacturing and supply chain. The "track and trace" regime applies to tobacco products that are present in the EU, whether for sale in the EU or for export. A few countries outside the EU have implemented or plan to implement "track & trace" systems, which are not compatible with the EU "track and trace" system, thus adding to the complexity.

The TPD is a directive and therefore national legislation in EU member states can impose stricter regulation than that set out in the TPD. Certain national governments in the EU have adopted and may adopt such regulation which establishes further restrictions on the manufacture, presentation and sale of tobacco products. This is, for instance, relevant with regard to the regulation of characterising flavours on product categories not subject to the TPD.

The TPD is currently under statutory evaluation by the EU Commission together with the Tobacco Advertising Directive (2003/33/EC). The scope of the consultation refers to advertisement, promotion and distribution through different sales channels, the emergence of new product categories and taxation of the products. In May 2023, the public consultation process in the EU was closed. It is currently expected that the Commission will publish its evaluation report during the third quarter of 2024. There is a risk that the evaluation will lead to stricter regulation on the Group's products.

- In the U.S., the Group's products are subject to existing FDA regulation on production, distribution and marketing of a range of tobacco products. The FDA has in the recent years issued draft rules and guidance documents covering several topics, including flavoured tobacco (other than tobacco and menthol flavoured) products and reduction of nicotine in tobacco products to minimal/non-addictive levels. In addition, the agency has stated that it will issue a rule that would ban menthol in cigarettes (the only non-tobacco flavour allowed in cigarettes) and ban all non-tobacco characterising flavours in cigars. The timing of such a ban is unknown. In 2023, FDA's regulation on premium cigars was vacated in a federal court. Following an appeal by the FDA, the matter is now pending before the U.S. Court of Appeals for the District of Columbia. A ruling is expected in 2024 or 2025 setting the direction for the future regulation of premium cigars in the U.S.

In addition to the federal legislation, states as well as certain municipalities and cities have imposed legislation on, for example, product flavour or restrictions on smoking indoors or in public places, which often extends to parks or other outside public spaces. The federal minimum age for purchasing tobacco products is 21 years. In 2022, the state of California passed its "flavour ban" law, which restricts retail distribution and sale of flavoured tobacco products in the state. Both federal and state regulation in the U.S. could become materially more restrictive, which could result in a substantial decline in the demand for tobacco products generally or require producers (including the Group) to review and adapt their product portfolio or change their sales channels as a result of restrictions or bans. A ban on online sales of tobacco in the U.S. would significantly negatively impact the Group, which has a division engaged in online sales in the U.S. Complying with changing regulatory requirements could also increase the Group's costs, including costs related to increased complexity and to ensure regulatory compliance.

In the United Kingdom of Great Britain and Northern Ireland, it is expected that a bill will be enacted under which it will become illegal to sell cigarettes and other tobacco products to individuals born after 1 January 2009. In New Zealand, a similar "generational ban" was recently passed but then later repealed. If such legal initiatives are implemented in a given jurisdiction, the Group will not be able to market its products to the individuals covered by the generational ban and the market in such jurisdiction would be diminished. Over time, this could lead to a continuous and accelerating decline in the sale of products by volume in the relevant market. This could have a material adverse effect on the Group's business, financial condition and results of operations.

Increased tobacco-control regulation in any jurisdiction, including as discussed above, may impact the Group's ability to compete and differentiate its products, entail substantial costs for the Group, adversely impact the Group's results of operations and increase operational complexity. Further, taking into account the significant number of regulations that apply to the Group's businesses across the world, it is possible that the Group may be subject to claims for breach of such regulations, and there may be financial costs and reputational impacts related to such claims. This could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to shifts in consumer demand and competition

The Group operates in competitive markets with shifting consumer demands, which require an agile organisation and adaptation to new market demands in a continually changing environment. Changes in consumer demand can be influenced by taste, product innovation, marketing and other factors, but may also be influenced by regulatory actions such as the imposition of new legislation targeting specific product categories. The Group continuously monitors the competitive environment and assesses changing consumer demand. To meet these consumer demands, the Group conducts consumer and market research and follows market trends. This insight forms the basis for the Group's product positioning (including pricing), product portfolio decisions and product development. However, competitors may still develop and promote new products which could be more successful than the products developed and promoted by the Group and consumer demand may move towards a product category where the Group is not leading, including an intensified move towards heated tobacco products (e-cigarettes) and nicotine pouches. In the event that the Group cannot provide a better offering to the consumers than its competitors, or if the competitive situation in the market changes, or consumer demand moves away from the categories where the Group is present or leading, towards products where the Group is not present or leading, there is a risk that the Group's sales, with respect to volume and value, will decline. This could have a material adverse effect on the Group's business, financial condition and results of operations.

A substantial decline in the total market or demand for the types of tobacco products that the Group produces, especially in certain of the Group's key geographic markets, could have a material adverse effect on the Group's results of operations

The total consumption of tobacco products has been declining over the past two decades. It is expected that the total market for tobacco consumption will further decline. While the Group's products are sold in more than 100 countries, a substantial decrease in demand for tobacco products in one or more key geographic markets could affect the Group's financial condition and results of operations. In addition, any substantial decline in the demand for tobacco products or a switch to less expensive products or brands, could have a material adverse effect on the Group's business, financial condition and results of operations.

Further, failure of the Group to meet consumer expectations in relation to environmental, social and governance ("ESG") issues may negatively affect consumer demand. Increased focus on ESG may lead to further expectations from consumers on the ESG efforts of the Group and the industry. In addition to the potential increased administration and production costs associated with an intensified focus on ESG, a negative public opinion on the industry or the Group as regards ESG matters may have a negative influence on the demand of the Group's products.

Regulatory restrictions on products in growth product segments may impact the Group's business and future sales growth

One of the Group's growth drivers is the development and scaling of new product categories, including non-combustible tobacco-free nicotine pouches and non-nicotine pouches which the Group today primarily markets in Scandinavia. While products in these new categories in most markets are still relatively unregulated, they are at the same time subject to country specific regulation that differs across jurisdictions.

Further, uncertainty exists as to how these product categories should be treated under existing regulation. These products may become the subject of new and more onerous regulation in the future and are subject to the same regulatory risks as those applicable to existing products and described for the Group's tobacco product portfolio (see "*Risks Relating to the Group's Industry— Changes in excise tax rates on tobacco products, in particular alignment of excise tax rates across tobacco product categories, could have a material adverse effect on demand for the Group's products*"). The Group believes that there is a material growth opportunity for the sales of these product categories also as substitution for other traditional tobacco products offered by the Group. The use of and substitution to these product categories may be affected by the results of research on whether these product categories may be associated with lower health related risks as compared to existing tobacco-smoking products. Depending on the outcome, such results may have a negative effect on consumer demand and may indirectly have a negative impact on the Group if new regulation is imposed on the new product categories as a result of such conclusions. If these new categories become subject to regulatory implications associated with excise levies, bans, or other product related regulation targeting these categories, this may have a negative impact on the business, financial condition and results of operations of the Group.

The Group's activities are subject to economic and trade sanction regimes and its governance and compliance processes may not prevent violations of such sanctions

Economic and trade sanctions have expanded in the recent past and the Group has suppliers and customers in countries that are subject to sanctions. The Group ceased its sales to Russia and Belarus in March 2022. Further, the Group, including its sales and operations in the U.S., is subject to restrictions under the U.S. embargo on products of Cuban origin. Any new sanctions, changes to the current sanctions regimes, or violation of sanctions could have a material adverse effect on the Group's business, financial condition and results of operations.

If the U.S. embargo against Cuba were to be lifted, it could have a material adverse effect on the Group's cigar sales in the U.S.

Since the early 1960s, the U.S. has maintained a comprehensive economic and trade embargo against Cuba, including a ban on the importation of Cuban origin cigars and a prohibition on persons subject to the jurisdiction of the U.S. to deal in most products of Cuban origin or with Cuban origin content. It is expected that any lifting could impact the Group's total sale of handmade cigar sales in the U.S. negatively. The impact on the Group's total handmade cigar sales in the U.S. of any such lifting would be uncertain and depends on various factors that are outside of the Group's control. If the embargo were to be lifted without balancing the interests of the non-Cuban and Cuban members of the cigar industry, it could distort competition in the U.S. market, particularly for handmade cigars. For example, if the embargo were to be lifted and non-Cuban companies were not given access to Cuban tobacco and to production facilities in Cuba, non-Cuban companies would not be able to supply cigars of Cuban origin and with Cuban tobacco to the U.S. market. In 2023, 30 per cent of the Group's net sales in its division "North America Branded & Rest of World" and 81 per cent in its division "North America Online & Retail" were derived from the sale of handmade cigars.

Import duties may reduce consumer demand for the Group's products

The Group's products are produced in different parts of the world. Handmade cigars are produced in the Dominican Republic, Honduras and Nicaragua, while machine-rolled cigars are produced primarily in Europe, the Dominican Republic, Sri Lanka and Indonesia. Pipe tobacco and fine-cut tobacco are produced in Denmark.

If import duties are introduced or increased in markets where the Group is not producing its products, this may lead to either increased retail prices and reduced consumer demand or a situation where the Group will have to absorb the whole or part of the import duty. In any event, the introduction or increase of import duties may lead to material adverse effects on the financial condition of the Group.

Further, an increase in retail costs arising from import duties may shift consumer demand towards other segments of the market, including illicit products, which could also have material adverse effects on the Group's business.

The imposition of import trade duties or even trade wars could similarly have a negative effect on the Group's business.

Violation of anti-corruption or anti-bribery laws and regulations could have a material adverse effect on the Group's business, financial condition and results of operations

The Group operates globally and its activities are subject to complex regulatory frameworks in areas such as anti-corruption and anti-bribery. The Group has operations in many jurisdictions, including less developed and newly industrialised countries such as Dominican Republic, Honduras, Indonesia, Nicaragua and Sri Lanka that have inherent risks associated with judicial enforcement of contractual rights and obligations, fraud, bribery, and corruption. Governments in industrialised countries have increasingly introduced comprehensive legislation to combat unsound international business practices, often referred to as anti-corruption or anti-bribery laws and regulations. The Group may not be able to detect all improper or unlawful conduct by its employees, suppliers or customers. In addition, at the operational level, individual employees, agents or distributors may not comply with the Group's policies and guidelines and as a result may cause the Group to incur criminal sanctions (e.g., in the form of fines, which may be significant), compliance costs and cause reputational damage. The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

2. Risks Relating to the Group's Business

The Group is investing significantly in an update of its ERP system, which may require unexpectedly many resources

The Group is investing in a business transformation of its Enterprise Resource Planning ("ERP") system, which aims to increase digitalisation, process simplification and automation. Disruptions, delays or deficiencies in the transition, design and implementation of the new system could have a material adverse effect on the Group's business. Large-scale project transitions like this ERP transformation have an intrinsic risk of encountering unexpected obstacles which may lead to additional transition time and/or additional resources being applied to the project, both of which may ultimately have a negative impact on the operations of the Group.

If the supply of the Group's products from or to one or more markets were to be limited or interrupted, it could have a material adverse effect on the Group's business, financial condition and results of operations

The Group's ability to maintain and grow its market share is dependent on its ability to continuously receive supply from its suppliers and supply the products to the market. If the supply to the Group or the supply of the Group's products to the market is interrupted for any reason, including due to weather or climate related risks (including storms and droughts) or the reasons discussed elsewhere in "Risk Factors" it could result in lost production and/or sales and adversely affect consumer loyalty.

Further, the Group's operations are dependent on third parties for, among other things, distribution and shipping of tobacco products and in some markets, the number of alternative distributors may be limited. For instance, costs related to postal services may be increased if a provider decides to implement a policy of not delivering tobacco products. If all providers decide to take such actions, the Group may risk being unable to provide its products to the consumers. The Group only has a single fulfilment facility in the U.S., which leads to regional dependence on such facility. If any event, incident, or series of such occurs, the dependence on the facility may trigger a more negative influence on the operations than would have been the case if the Group had further facilities.

If any of the situations mentioned above were to occur, there can be no assurance that (i) the products or services provided by third parties will be acceptable to the Group, (ii) the products or services provided by third parties will be provided in a timeframe acceptable to the Group, (iii) that third parties will continue to provide products and services to the Group at all or, (iv) that the services of such third parties will be offered at prices acceptable to the Group. Each of these consequences would have a negative impact on the business of the Group.

Disruptions in information technology systems or a security breach could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is dependent on information technology ("IT") systems to operate its business, enhance customer service, improve the efficiency of production and increase employee efficiency. In addition, the Group's business includes online, catalogue and physical retail sales of tobacco products and accessories

directly to consumers. Online, catalogue and physical retail sales involve the processing of confidential customer information, such as payment information. The Group's IT systems are subject to potential damage or interruption from power outages, computer and telecommunications failures, computer viruses, catastrophic events and user errors. In addition, these IT systems are also potentially subject to security breaches, including cyberattacks and breaches of transaction processing that could result in the compromise of confidential information, including customer information and personal data, or breakdown/lockdown of the Group's IT systems. Any disruptions in IT systems or a security breach could have a material adverse effect on the Group's business including reputational harm and loss of customers.

The terms of the Group's financing arrangements may limit its commercial and financial flexibility and the Group's access to financing may be negatively affected by market developments

The Group's financial covenants could limit its ability to finance future operations and capital needs and the Group's ability to pursue its business strategy. The Facilities Agreement has references and impacts related to specified financial ratios and any future financing arrangements may also require the Group to maintain specified financial ratios.

The Facilities Agreement contains various restrictive covenants such as restrictions on mergers, change of business and paying dividends, negative pledge and requirements as to financial information. The Group may not make any new acquisitions or investments in companies, businesses, shares or similar assets, or make any dividend payments or redemptions of share capital if such action would result in the Group's net debt (as defined in the Facilities Agreement) exceeding four times the Group's EBITDA (as defined in the Facilities Agreement). Furthermore, the consolidated financial indebtedness of the Issuer's subsidiaries may not exceed 25 per cent of the total financial indebtedness of the Group.

Additionally, a violation of certain sanctions (as specified in the Facilities Agreement) will give each lender under the Facilities Agreement a right to cancel and demand repayment of its part of the facilities thereunder.

The Group's ability to meet the financial covenants under the Facilities Agreement and any future financing arrangements may be affected by events beyond the Group's control. In the event of a default under any of the Group's debt obligations, the lenders could terminate their commitments and the Group's borrowings could become immediately due and payable. Defaulting on a financing agreement could also result in a cross-default on the Group's other financing agreements. The Group's assets and cash flow may not be sufficient to fully repay these debts in such circumstances, which could have a material adverse effect on the Group's business, financial condition, and results of operations. The existing Facilities Agreement terminates in 2027.

The Group is dependent on access to material financing arrangements such as the Facilities Agreement. Today, the Group's debt primarily consists of the Facilities Agreement, the EUR 300,000,000 1.375 per cent. guaranteed notes due 24 September 2025 (ISIN: XS2237302646) (the "**Existing Notes**") issued by STG Global Finance B.V., the Issuer's wholly-owned subsidiary and guaranteed by the Issuer, and, following issuance, the Notes. Large financial institutions as well as institutional investors have become subject of increased public scrutiny and regulation in terms of CSR and ESG and this focus from the public may lead to certain financial institutions withdrawing from financing or investing in the tobacco industry. Further, financial institutions may become subject to regulation which sets out hard requirements or incentivises financial institutions to deselect the financing of the tobacco industry. Ultimately, this could lead to a reduced supply of large-scale financing and thereby increased costs in relation to financing.

Fluctuations in the availability of tobacco leaf and in tobacco leaf prices could have a material adverse effect on the Group's business, financial condition and results of operations

Tobacco leaf represents approximately one third of the Group's cost of goods sold. The Group has limited involvement in the cultivation of tobacco leaf and its results of operations are, therefore, exposed to the availability and supply of tobacco leaf as well as increases in prices of tobacco leaf and other commodities required in the production of its products. As with other agricultural commodities, the price of tobacco leaf tends to be cyclical, as supply and demand considerations influence tobacco plantings in the countries in which tobacco is grown. The supply of tobacco leaf may be affected by general weather conditions, climate change or regional weather events (see "*Risks Relating to the Group's Business— Climate change could have a material adverse effect on the supply and logistics of the Group's operations*"). Further, the supply of tobacco leaf and the prices thereof may be affected by an increased focus on ESG, including an increased focus on global living standards and labour conditions in production areas. If the Group is not able to obtain

the required tobacco for its tobacco products or if the supply prices increase, it may not be able to produce tobacco products of the same quality or quantity. The risks described could also lead to increased raw tobacco prices which may negatively affect the financial result of the Group.

Climate change could have a material adverse effect on the supply and logistics of the Group's operations

The Group is dependent on a steady supply of raw materials, including, in particular, tobacco leaf. Climate change may increase the frequency of significant weather events which negatively affect the supply of raw materials, but climate change may also more generally cause a change in temperatures and rain conditions which may negatively affect the ability of the raw material to grow under the same assumptions as today. Climate change consequently poses a risk of long-term change in the global volume and quality of supply and could lead to increased input prices for the Group.

Furthermore, significant weather events may disrupt logistics and supply chains, in particular in areas with less developed infrastructure. If the frequency of significant weather event increases, this could negatively affect the logistics of the Group as well as third parties providing services for the Group. Climate change could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's brands are key assets of its business and changes in the reputations of its brands could have a material adverse effect on the Group's business

The brands under which the Group's products are sold are key assets of the Group's business. The reputation of the Group's brands is a major factor for consumer recognition of and confidence in the products and their quality. Accordingly, brand reputation is important for sustaining and growing the Group's revenue and profitability and several factors may negatively affect the Group's brands, including:

- If the Group is further restricted in its marketing, labelling and packaging of its products. See also "*Risks Relating to the Group's Industry— The Group is already subject to and faces increasing tobacco product related regulation, which could have a material adverse effect on its business, financial condition and results of operations*" above. Brand diversification strategies may be hampered by limited marketing possibilities.
- If the Group's products become contaminated, for example, as a result of an accident during the production process or deliberately with malicious intent, or products may otherwise fail to comply with the Group's quality standards.

If any of these instances occur, significant costs may be incurred in recalling products from the market and consumers may lose confidence in the specific brand or brands affected by the contamination, resulting in a loss of sales volume, which may take a long time to recover or may not recover fully. During this time, the Group may lose market shares, which could be difficult and costly for the Group to subsequently regain.

Failure to manage any of the above factors or failure of the Group's sales and marketing and other activities to differentiate and further strengthen its brands could adversely affect the value and perception of the Group's brands and its ability to maintain existing consumers and attract smokers of tobacco products from competing suppliers and, as a result, have a material adverse effect on the Group's business, financial condition and results of operations.

The Group could fail to attract or retain individuals with the capabilities required

The Group could fail to attract or retain individuals with the capabilities required. The Group's success will depend on the decisions of its senior management as well as its ability to attract and retain, among others, a qualified sales force, and employees with managerial, technical, sales, marketing, digital IT support skills as well as employees with other needed skills. Additionally, employee retention may be particularly challenging following acquisitions or divestitures as the Group must continue to motivate employees and keep them focused on its strategies and goals. Challenges in recruitment may also arise if the tobacco industry becomes subject to reputational deterioration. The failure to attract or retain individuals with key capabilities or the failure to retain or loss of the skills necessary to execute integration and growth plans and deliver key customer programmes could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be unable to identify and complete acquisitions or disposals of assets, and any completed transactions may demand significant management involvement or may not yield expected results

The Group may be unable to identify and complete acquisitions or disposals of assets, and any completed transactions may demand significant management involvement and result in the diversion of other resources away from other priorities or may not yield expected results. Where the Group has identified acquisition opportunities, it may face competition for these acquisitions. Such competition can raise the price of acquisitions and make them less attractive. In addition, if the Group is unable to secure the necessary financing, it may not be able to acquire businesses in furtherance of its strategy. The Group may identify assets that are less central to its strategic objectives, which it may seek to exit or divest in order to simplify the Group's business, enhance its financial performance and allocate its capital more effectively in line with its growth agenda. Any proposed disposals would require the attention of the management and might divert management focus and other resources away from implementation of the Group's other strategic goals. In addition, the Group may fail to balance the Group's portfolio of business effectively or to effect disposals in a timely and effective manner. Even if management is able to identify potential acquisition or disposal opportunities, it may be difficult to complete such transactions, given antitrust considerations or other challenges, or due to reasons such as market and financial conditions. This could adversely affect the Group's revenue, costs, profits, business, financial condition, results or prospects. Although the Group anticipates synergies and cost savings from future acquisitions (depending on the nature of the business acquired) or disposals, it may not realise any or all of such synergies or cost savings that it believes can be realised from these transactions. The Group's ability to integrate and manage acquired businesses effectively and to handle any future growth will depend upon a number of factors, including, but not limited to, the size of the acquired businesses, the nature and geographical locations of their operations, and the resulting complexity of integrating its operations into the Group, and failure to manage growth effectively may adversely affect the Group's revenue, costs, profits, business, financial condition, results or prospects. Furthermore, there can be no assurance that the Group will be able to identify all actual or potential liabilities of a business prior to its acquisition or disposal. If the Group acquires a business or assets which result in the Group assuming unforeseen liabilities in respect of which it has not obtained contractual protections or for which protection is not available, this could adversely affect the Group's revenue, costs, profits, business, financial condition, results or prospects. Acquisitions within new or smaller markets or product categories may expose the Group to additional risk and add further complexity to the operations of the Group. Similarly, such acquisitions may prove difficult or expensive to integrate into the Group since the Group's existing set-up may not be easily implementable to organisations with a different product assortment than that existing in the Group.

The Group is exposed to risks in relation to data protection

The Group holds, controls and processes personal data and could be adversely affected if any of this data were to be lost, compromised or not handled in accordance with the relevant data protection legislation. Regulation such as the California Consumer Privacy Act (the "CCPA") and the EU General Data Protection Regulation (the "GDPR") impose obligations on data controllers and data processors and rights for individuals which the Group needs to comply with. Non-compliance with data protection requirements may be sanctioned with significant fines and other sanctions.

Possible future pandemics

Different regions in the world have from time-to-time experienced outbreaks of various viruses or other contagious diseases, including COVID-19, Severe Acute Respiratory Syndrome and H1N1 influenza virus.

Outbreaks of such nature can result in employee quarantines and labour shortages, development delays, reduced end-consumer demand, macroeconomic recession and/or effect the general supply chain. Further, the Group's supply chain emanates from countries with a more limited access to medicine and medical care than that existing in its primary markets. In addition to the general risks associated with pandemics or outbreaks, the global presence of the Group may result in the Group being particularly exposed to outbreaks in those geographical areas where its raw materials are processed.

Jurisdiction-specific regulations introduced as a response in an outbreak-situation may also result in demand reductions specifically in such jurisdictions.

Any of the factors above could have a material adverse effect on the Group's profits and financial position.

The Group could face claims regarding the health consequences associated with the use of tobacco products and such claims cannot be covered by insurance

Cigarette companies were for many years subject to litigation and claims for damages for health issues related to the use of their products, with cases being brought by both tobacco smokers and governmental authorities. While the Group has not so far faced claims regarding the health consequences associated with the use of tobacco products, it could, like other players in the tobacco industry at large, in the future face such claims, and such claims cannot be covered by insurance. Such claims may also be set forth by product users and authorities in relation to new product categories (see "*Risks Relating to the Group's Industry—Regulatory restrictions on products in growth product segments may impact the Group's business and future sales growth*"). Claims may lead to litigation, which could entail significant costs, require significant management attention and lead to significant liabilities for the Group in the case of an adverse outcome or settlement. This, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

Currency fluctuations could have a material adverse effect on the Group's business, financial condition and results of operations

The Group operates globally and has subsidiaries in various countries. The Group's reporting currency is the Danish krone, while the most significant currencies for its net sales are the U.S. dollar and euro. The Group also has external loans, including, following issuance, the Notes and the Existing Notes, denominated in euros and U.S. dollars. The most significant currency fluctuation risk the Group faces is conversion risk, which the Group does not hedge against.

The Group enters into transactions denominated in currencies other than the local currencies in which the Group companies operate, exposing the Group to transaction risk.

Accordingly, currency fluctuations directly affect the Group's results of operations and financial condition.

Work stoppages and other labour matters could have a material adverse effect on the Group's business, financial condition and results of operations

While the Group strives to maintain good relationships with its employees and their unions, such relationships may not continue to be amicable and the Group may be affected by further unionisation efforts, strikes, or other types of conflicts with labour unions or employees. The Group is subject to collective bargaining agreements in respect of its production operations in Europe and Indonesia. If any of the foregoing events were to occur, this could lead to a temporary reduction in the supply of the Group's products and/or increased production costs and thereby negatively affect the Group's business and its financial results.

The Group's insurance policies provide limited coverage, potentially leaving it uninsured against some risks

The Group has global master insurance programmes that include property and business interruption insurance, liability insurance, marine cargo insurance and directors' and officers' liability insurance as well as local policies when required by law or it is cost efficient. Although the Group maintains insurance to the extent it considers to be adequate, there can be circumstances in which insurance would not cover, partially or fully, the consequences of a loss event. In addition, the Group could face claims on other liability events or incidents for which it either cannot obtain insurance, such as claims regarding the health consequences associated with the use of tobacco products, or which it has elected not to insure against (whether on account of premium costs, significant risk retention or for other reasons).

The Group could fail to manage and protect its intellectual property rights

The Group's brands are key assets for its business. The Group registers and protects its brands in the markets in which they are sold. However, there can be no assurance that the Group's actions will adequately protect its intellectual property in all situations. Furthermore, the risk of third parties infringing the Group's intellectual property rights may be high in certain of the jurisdictions in which the Group operates as a result of limitations in judicial protection and/or inadequate enforceability.

The Group owns the trademark rights to certain Cuban heritage brands in the U.S., such as Partagas, Punch, Hoyo de Monterrey and La Gloria Cubana. Should the Group's status as the rightful owner of the rights to these or other trademarks be challenged, the outcome of any such challenge cannot be certain (see "*Description of the Issuer—Legal Proceedings in the U.S.*").

Failure in the establishment, protection or monitoring on the part of the Group's intellectual property rights could result in substantial erosion in the value of the Group's brands. In addition, if a third party were to register the same or similar trademarks as registered or utilised by or associated with the Group in a jurisdiction in which the Group has no trademark protection, the Group may not be able to sell its products under those trademarks in such jurisdiction or the Group may be required to enter into a licensing agreement, which may not be available to the Group on acceptable terms, or at all.

Breaches of third-party intellectual property rights or accusations of such breaches could have a material adverse effect on the Group's business, financial condition and results of operations

The Group's commercial success depends in part on its ability to avoid infringing on the trademarks and other intellectual property rights of third parties. Claims by third parties that the Group's utilisation of any brands infringes on their trademark or other intellectual property rights, regardless of their merit, could require the Group to incur substantial costs and divert management attention to defend itself against such claims.

In free trade zones in Nicaragua, Honduras and the Dominican Republic, the Group produces certain brands of handmade cigars for the U.S. market that carry trademarks for which the Group does not hold trademark registrations in the country of production.

If the Group is found to be in breach of the intellectual property rights of a third party, the damages payable could be substantial and the Group could be required to withdraw affected products from the market or to enter into a licensing agreement with respect to such intellectual property, which may not be available to the Group on acceptable terms, or at all. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks in connection with its pension commitments

The Group provides pension plans to its employees in the countries in which it is market practice to do so. Most of the Group's pension plans are defined contribution plans. However, the Group also provides defined benefit plans where the obligation may fluctuate according to life-expectancy, salary changes and discount rate. The Group provides defined benefit pension plans in certain countries, primarily in Belgium, Germany, Indonesia, the Dominican Republic, France and the U.S. In most of these countries, the Group's defined benefit pension plans are unfunded. If the pension obligations fluctuate compared to actuarial assumptions or the actual returns on the pension plan assets are less than actuarial assumptions regarding the expected rate of return and other assumptions, it could result in a substantial coverage shortfall for these pension obligations, resulting in a significant increase in the Group's net pension obligations. The funded defined benefit pension plans are funded by payments from Group companies and by payments by the Group's employees to funds independent of the Group.

Risk Relating to the Notes

There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to the Official List and trading on the regulated market of Euronext Dublin, there is no assurance that such application will be accepted or that an active trading market will develop. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Notes may be redeemed prior to maturity.

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Denmark or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, the Terms and Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances and accordingly the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

Minimum Denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 (or its equivalent) that are not integral multiples of EUR 100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note (as defined herein) in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

Credit Rating

The Notes are expected to be assigned a rating of "Baa3" by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency

established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Modifications, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the "**Substitute**") that is a Subsidiary of the Issuer. This is subject, however, to certain requirements being met before substitution can take place, see further Condition 12(c) (*Substitution*).

Accordingly, there is a risk that the terms of the Notes, the Conditions or the Agency Agreement may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

Limited enforcement

A judgement entered against a company incorporated in Denmark in the courts of a state which is not, under the terms of (i) Regulation (EU) No. 1215/2012 of the European Parliament and of the Council on Jurisdiction and the Recognition and Enforcement of Judgments (the "**2012 Brussels Regulation**"), (ii) the bilateral agreement relating to the 2012 Brussels Regulation between Denmark and the European Community of 19 October 2005 (and any protocol and accession convention in respect thereof), (iii) Danish Act No. 1563 of 20 December 2006 (as amended), consolidated in Danish Consolidated Act No. 1282 of 14 November 2018, implementing the 2012 Brussels Regulation, (iv) the Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters made at Lugano on 30 October 2007 (the "**Lugano Convention**") or (v) the Convention on Choice of Court Agreements on 30 June 2005 (the "**Hague Choice of Court Convention**"), a Member State (as defined in the 2012 Brussels Regulation) or a Contracting State (as defined in the Lugano Convention and the Hague Choice of Court Convention), will be neither recognised nor enforced by the Danish courts without re-examination of the matters thereby adjudicated. The United Kingdom is neither party to the 2012 Brussels Regulation nor the Lugano Convention but is a Contracting State to the Hague Choice of Court Convention. In addition, a judgment entered against a company incorporated in Denmark in the courts of a state which is a Contracting State under the Hague Choice of Court Convention will not be recognised nor enforced by the Danish courts without re-examination of the matters thereby adjudicated unless the parties had agreed to settle their disputes exclusively in the jurisdiction of one Contracting State. Neither the Terms and Conditions nor the Deed of Covenant includes such exclusive jurisdiction clause for the purpose of the Hague Choice of Court Convention. In connection with any re-examination, the judgment of a foreign court will generally be accepted as evidence, but the parties must provide the Danish courts with satisfactory information about the contents of the relevant law of the contract and, if they fail to do so, the Danish courts may apply Danish law instead.

4. Risks related to the market generally

Incidental costs related in particular to the purchase and sale of Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any

additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes. These additional costs may significantly reduce or eliminate any profit from holding the Notes.

The trading market for debt Notes may be volatile and may be adversely impacted by many events.

The market for debt Notes issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in the Kingdom of Denmark as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Denmark, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a holder will be able to sell his Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such holder.

Legal considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether the Notes are a lawful investment for it, and the regulatory implications for it of making such an investment.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currencies (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

INFORMATION INCORPORATED BY REFERENCE

The information set out in the list below shall be deemed to be incorporated in, and to form part of, this Prospectus **provided however that** any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement:

Issuer

- (i) the annual report for the financial year ended 31 December 2023 of the Issuer as set out on pages 1 to 36 and 40 to 159 (both pages inclusive) but excluding the letter from the chair and CEO as set out on pages 7 and 8, excluding the section on EU Taxonomy on pages 80 to 83 (both pages inclusive) and excluding the following pages from the sustainability section: (i) pages 42 to 46 (both pages inclusive), (ii) pages 49 to 56 (both pages inclusive) and (iii) pages 57 to 65 (both pages inclusive) (available at: <https://www.st-group.com/media/adkdtno5/stg-annual-report-2023.pdf>);
- (ii) the audited consolidated financial statements for the financial year ended 31 December 2022 of the Issuer as set out on pages 57 to 117 (both pages inclusive) of the annual report for 2022 (available at: <https://www.st-group.com/media/ih5cg5zl/stg-annual-report-2022.pdf>); and
- (iii) the unaudited consolidated interim financial statements of the Issuer for the six months ended 30 June 2024, as set out at pages 14 to 24 (both pages inclusive but excluding note 4 on page 24) (available at: <https://www.st-group.com/media/uy5lljmc/interim-report-q2-2024.pdf>).

Such documents will be made available, free of charge, during usual business hours at the specified offices of the Fiscal Agent.

This Prospectus will be available, in electronic format, on the website of Euronext Dublin (<https://live.euronext.com>).

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference/included in the cross-reference list in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The EUR 300,000,000 4.875 per cent. Notes due 12 September 2029 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further Issues*) and forming a single series therewith) of Scandinavian Tobacco Group A/S (the "**Issuer**") are the subject of a fiscal agency agreement dated 12 September 2024 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders at reasonable times during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below or may be provided by email to a Noteholder upon such Noteholder producing evidence as to its identity and proof of holding satisfactory to the relevant Paying Agent.

1. Form, Denomination and Title

The Notes are serially numbered and in bearer form in the denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof with Coupons attached at the time of issue. Notes of one denomination will not be exchangeable for Notes of the other denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. Status

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not secure, and shall procure that none of its Subsidiaries will secure, any existing or future Debt Obligations or guarantees of Debt Obligations by means of a mortgage, pledge, lien or other security upon, or with respect to, any of its present or future undertaking, revenues or assets (including any uncalled capital) unless all amounts payable by it under the Notes and the Coupons, as the case may be, are (i) secured equally and rateably by the same mortgage, pledge, lien or other security, or (ii) secured by such other mortgage, pledge, lien or other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In these Conditions:

"**business day**" means (unless otherwise indicated) a day on which commercial banks and foreign exchange markets settle payments generally in London;

"**Debt Obligations**" means any indebtedness which is in the form of or represented by notes, bonds or other securities which are, or are to be, quoted, listed or dealt in or on any stock exchange or over-the-counter market;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person; or
- (c) in relation to any Danish legal entity (whether incorporated or not), which at any time is a subsidiary (in Danish: *datterselskab*) to such person, directly or indirectly, as defined in the Danish Companies Act (in Danish: *Selskabsloven*).

4. Interest

The Notes will initially bear interest from 12 September 2024 (the "**Issue Date**") at the rate of 4.875 per cent. per annum, (the "**Initial Rate of Interest**") payable in arrear on 12 September in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 6 (*Payments*).

The Initial Rate of Interest payable on the Notes will be subject to adjustment in the event of a Step Up Event and any subsequent Step Down Event (each such adjustment a "**Rate Adjustment**"). Any Rate Adjustment shall be effective from and including the Interest Payment Date immediately following the date of the relevant Step Up Event or the relevant Step Down Event (and the amount of interest payable on each subsequent Interest Payment Date shall be adjusted accordingly).

For each Regular Period commencing on or after the first Interest Payment Date immediately following the occurrence of a Step Up Event, the Notes will bear interest at the Initial Rate of Interest plus 1.25 per cent. per annum (together the "**Adjusted Rate of Interest**") payable in arrear on each subsequent Interest Payment Date, subject as provided in Condition 0 (*Payments*).

In the event that a Step Down Event occurs after the date of a Step Up Event (or on the same date but subsequent thereto) then for any Regular Period commencing on the first Interest Payment Date following the occurrence of such Step Down Event, the Notes will revert to bearing interest at the Initial Rate of Interest payable in arrear on each subsequent Interest Payment Date, subject as provided in Condition 0 (*Payments*). For the avoidance of doubt, if a Step Up Event and a Step Down Event occur during the same Regular Period, there shall be no adjustment to the rate of interest applicable to the next following Regular Period or thereafter. There shall be no limit to the number of times that the rate of interest may be adjusted pursuant to this Condition 4 (*Interest*) during the term of the Notes *provided always that* at no time during the term of the Notes will the rate of interest payable on the Notes be less than the Initial Rate of Interest or more than the Adjusted Rate of Interest.

The Issuer will cause each Step Up Event and each Step Down Event to be notified to the Fiscal Agent and notice thereof to be published in accordance with Condition 0 (*Notices*) as soon as possible after the occurrence of the Step Up Event or the Step Down Event but in no event later than the tenth business day thereafter.

For so long as any of the Notes are outstanding, the Issuer shall use all reasonable efforts to maintain a Rating from the Rating Agencies. In the event that any Rating Agency fails to or ceases to assign a Rating, the Issuer shall use all reasonable efforts to obtain a Rating from a substitute Rating Agency and references in these conditions to Fitch Ratings Ireland Limited, Moody's Italia S.r.l. and S&P Global Ratings Europe Limited as the case may be, or the ratings thereof, shall be to such substitute Rating Agency or, as the case may be, the equivalent Ratings thereof.

Where:

"**Rating**" means the rating of the Notes, failing which, the rating of the Issuer's senior unsecured long-term debt assigned by any Rating Agency solicited by (or with the consent of) the Issuer.

"**Rating Agency**" means any of the credit rating agencies of Fitch Ratings Ireland Limited or its affiliates ("**Fitch**"), Moody's Italia S.r.l or its affiliates ("**Moody's**") or S&P Global Ratings Europe Limited or its affiliates ("**Standard & Poor's**") and their respective successors to their ratings business and/or, any other rating agency of equivalent standing notified by the Issuer to the Noteholders and the Fiscal Agent in accordance with Condition 0 (*Notices*).

"Rating Decrease" means a decrease in the Rating to below the Specified Threshold.

"Specified Threshold" means BBB-/Baa3 or the equivalent.

"Step Down Event" means where the rate of interest payable on the Notes has previously been subject to an increase as a result of a Step Up Event due to (i) the first public announcement by any Rating Agency of a Rating Decrease, the first public announcement by any Rating Agency that it has assigned a Rating equal to or higher than the Specified Threshold, or (ii) the failure to assign or withdrawal of a Rating by any of the Rating Agencies, the assignment of a Rating or the reinstatement of a Rating by any Rating Agency equal to or higher than the Specified Threshold.

"Step Up Event" means (i) the first public announcement by any Rating Agency of a Rating Decrease, or (ii) the failure to assign, or withdrawal of a Rating, by any of the Rating Agencies, unless in each case another Rating Agency assigns or maintains a Rating equal to or higher than the Specified Threshold.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Note on any date, it shall be calculated by applying the Initial Rate of Interest or the Adjusted Rate of Interest (as applicable) to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

"Calculation Amount" means EUR 1,000;

"Day Count Fraction" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"Regular Period" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 12 September 2029 (the **"Maturity Date"**), subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if: (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 10 September 2024; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

- (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in paragraph 5(b)(i) and (ii) above prevail and setting out the details of such circumstances; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption at the option of the Noteholders in the event of a Change of Control (Put Option):* If at any time while any Note remains outstanding, there occurs:

- (A) a Change of Control (as defined below), and, within the Change of Control Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Change of Control Period), or
- (B) a Change of Control (as defined below), and, on the occurrence of the Change of Control, the Notes are not rated by any Rating Agency (as defined below),

(each, a "**Change of Control Put Event**"), each Noteholder will have the option (the "**Change of Control Put Option**") unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 5(b), Condition 5(d), Condition 5(e) or Condition 5(f) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date (as defined below) at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

Where:

"**Change of Control**" means any person or persons acting in concert gains direct or indirect control of the Issuer (except for any of the Existing Principal Shareholders). For the purposes of this definition "control" of the Issuer shall mean control (in Danish: *kontrol*) as defined in section 44 of the Danish Capital Markets Act (in Danish: *Kapitalmarkedsloven*) and "acting in concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

"**Existing Principal Shareholders**" means Augustinus Foundation (in Danish: *Augustinus Fonden*), the Obel Family Foundation (in Danish: *Det Obelske Familiefond*) and any company directly or indirectly controlled by any such party.

A "**Rating Event**" shall be deemed to have occurred in respect of a Change of Control if (within the Change of Control Period) (A) the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer is (x) withdrawn or (y) changed from an investment grade rating BBB-/Baa3 (or its equivalent for the time being, or better) to a non-investment grade rating BB+/Ba1 (or its equivalent for the time being, or worse) or (z) (if the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer was below an investment grade rating (as described above)), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents) and (B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency, *provided that* the Rating Agency withdrawing its rating or making the reduction in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer in writing that the lowering of the rating or the failure to assign an investment grade rating was the result, in whole or in part, of the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Event). If on the Relevant Announcement Date, the Issuer or the Notes carry a credit rating from more than one Rating

Agency, at least one of which is an investment grade rating, then sub-paragraph (z) above will not apply.

In this Condition 5(c), a "**Rating Agency**" means any of the credit rating agencies of Fitch Ratings Ireland Limited or its affiliates ("**Fitch**"), Moody's Italia S.r.l. or its affiliates ("**Moody's**") or S&P Global Ratings Europe Limited or its affiliates ("**Standard & Poor's**") and their respective successors to their ratings business.

"**Change of Control Period**" means the period beginning on the date (the "**Relevant Announcement Date**") that is the earlier of (A) the first public announcement by or on behalf of the Issuer or any bidder or any designated advisor, of the relevant Change of Control; and (B) the date of the earliest Potential Change of Control Announcement, and ending 90 days after the Relevant Announcement Date (such 90th day, the "**Initial Longstop Date**"); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Event in respect of its rating of the Issuer or the Notes if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer or the Notes under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the date of such public announcement by such Rating Agency.

"**Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated adviser to be intended to occur, within 180 days of the date of such announcement of statement).

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 5(c).

To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Change of Control Put Option Notice (as defined below) for the account of the Issuer within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a "**Change of Control Put Option Notice**") and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 5(c).

A Change of Control Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer as described above by the date which is the fifth business day following the end of the Change of Control Put Period (the "**Optional Redemption Date**"). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Change of Control Put Option Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

- (d) *Redemption at the option of the Issuer (Par Call)*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any date, from and including, 12 June 2029 (the "**Par Call Date**") to, but excluding, the Maturity Date (the "**Call Settlement Date**") at a price equal to 100

per cent. of their principal amount on the Issuer's giving not less than 15 nor more than 45 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the Call Settlement Date at such price plus accrued interest to such date).

- (e) *Redemption at the option of the Issuer (Make-Whole Call)*: The Notes may be redeemed at the option of the Issuer in whole but not in part at any time from, but excluding the Issue Date to, but excluding the Par Call Date (the "**Make-Whole Redemption Date**") at an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to the Par Call Date on such Notes on the Reference Date is equal to the sum of (x) the Reference Bond Rate at the Quotation Time on the Reference Date, plus (y) the Redemption Margin, as determined by the Determination Agent (the "**Make Whole Redemption Price**"), on the Issuer's giving not less than 15 nor more than 45 days' notice to the Noteholders (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Notes on the Make-Whole Redemption Date at the Make Whole Redemption Price plus accrued interest to (but excluding) such date).

Where:

"DA Selected Bond" means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the Remaining Term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the same currency as the Notes and with a comparable remaining maturity to the Remaining Term of the Notes;

"Determination Agent" means an independent adviser, investment bank or financial institution of recognised standing selected by the Issuer;

"Quotation Time" means 12.00 noon (Danish time);

"Reference Bond" means Germany, BUND 0 15 August 2029 (ISIN: DE0001102473) or if this is no longer outstanding on the Reference Date, the DA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Bond and any Reference Date, (i) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"Reference Date" means the date falling three business days prior to the Make-Whole Redemption Date;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is appointed), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and the Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a)

above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"Redemption Margin" means 0.45 per cent.;

"Relevant Make Whole Screen Page" means Bloomberg page "PXGE" (or any successor or replacement page, section or other part of Bloomberg), or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond; and

"Remaining Term" means the term to the Par Call Date.

- (f) *Redemption at the option of the Issuer (Clean-up Call)*: In the event that Notes representing an aggregate amount equal to or exceeding 80 per cent. of the initial aggregate principal amount of the Notes have been purchased or redeemed and cancelled by the Issuer (other than as a result of the exercise by the Issuer of its redemption right under Condition 5(e) (*Redemption at the option of the Issuer (Make-Whole Call)*)), the Issuer may, on not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.
- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 5(a) (*Scheduled redemption*) to 5(f) (*Redemption at the option of the Issuer (Clean-up Call)*) above.
- (h) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation, *provided that* if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them.
- (i) *Cancellation*: All Notes so redeemed and any unmatured Coupons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 5(h) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

6. Payments

- (a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to T2.
- (b) *Interest*: Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Interpretation*: In these Conditions:

"T2" means the real time gross settlement system operated by the Eurosystem or any successor system.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deduction for unmatured Coupons*: If a Note is presented without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (f) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which T2 is open.
- (g) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the U.S.
- (h) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

7. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Denmark or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon;
- (b) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (c) where such withholding or deduction is required to be made pursuant to the Danish Corporation Tax Act (Consolidated act no. 1241 of 22 August 2022, as amended), on payments due to a Noteholder or Couponholder affiliated to the Issuer within the meaning of the Danish Tax Control Act (Consolidated Act. no. 12 of 8 January 2024, as amended) in effect as at 10 September 2024.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to T2 by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Denmark, references in these Conditions to the Kingdom of Denmark shall be construed as references to the Kingdom of Denmark and/or such other jurisdiction.

8. Events of Default

If any of the following events occurs:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and the default continues for a period of five business days in the case of principal or premium (if any) and ten business days in the case of interest; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) Cross-default of Issuer or Material Subsidiary:
 - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Material Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness **unless**, in the case of any such declaration of Indebtedness, such declaration is being contested in good faith by the Issuer or the relevant Material Subsidiary on the basis of independent legal advice and such creditor (or creditors) has (or have) not obtained an enforceable judgment against the Issuer or the relevant Material Subsidiary in respect of the same and the Issuer or the relevant Material Subsidiary has a reasonable prospect of successfully contesting such action (or actions) and has, if such action is adversely determined against the Issuer or the relevant Material Subsidiary, sufficient and proper reserves in cash or other readily recognisable liquid assets have been made in accordance with IFRS to pay the relevant Indebtedness; or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds EUR 15,000,000 (or its equivalent in any other currency or currencies).

For the purpose of these Conditions:

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Material Subsidiary" means a Subsidiary which:

- (i) at any time whose total assets, as calculated from the then latest annual financial statements, audited if prepared, of that Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 3 per cent. of the total assets of the Group (as shown in the latest audited consolidated accounts of the Group); or
- (ii) at any time whose total sales, as calculated from the then latest annual financial statements, audited if prepared, of that Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 3 per cent. of the consolidated total sales of the Group (as shown in the latest audited consolidated accounts of the Group); or
- (iii) at any time whose EBITDA before special items, as calculated from the then latest annual financial statements, audited if prepared, of that Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 3 per cent. of the consolidated EBITDA before special items of the Group (as shown in the latest audited consolidated accounts of the Group).

A report by an independent firm of accountants that in their opinion a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

In this Condition, EBITDA means EBITDA before special items as used in the Issuer's most recent published annual accounts from time to time; or

- (d) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or a Material Subsidiary (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (e) *Insolvency, etc.*: (i) the Issuer or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any Material Subsidiary or the whole or any part of the undertaking, assets and revenues of the Issuer or a Material Subsidiary, (iii) the Issuer or a Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of Indebtedness given by it or (iv) the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business or the business of the Group (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent).

For the purpose of these Conditions, "**Group**" means the Issuer and its Subsidiaries, taken as a whole; or

- (f) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount is rendered against the Issuer or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (g) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of the Kingdom of Denmark has an analogous effect to any of the events referred to in paragraphs (c) (*Winding up, etc.*) to (d) (*Insolvency, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Kingdom of Denmark is not taken to the extent practically possible, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes;
- (k) *Guarantee not in force*: if a deed of guarantee is required to be instated under paragraph (c) of Condition 12 (*Meetings of Noteholders; Modification; Substitution*) below and such guarantee of the Notes is not (or is claimed by the guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the holder thereof to the Issuer delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

9. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment

by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. Paying Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a fiscal agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification; Substitution

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Fiscal Agent may determine in accordance with the provisions of the Agency Agreement.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, holding not less than two-thirds in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.
- (c) *Substitution:* The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the "**Substitute**") that is a Subsidiary of the Issuer or the

Issuer in case of a previous substitution to a Subsidiary of the Issuer, *provided that* no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Issuer, the obligations of the Substitute under the Deed Poll, the Notes, Coupons and Deed of Covenant shall be unconditionally and irrevocably guaranteed by the Issuer by means of a deed of guarantee, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Coupons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute, and in the case of the Deed Poll and the deed of guarantee of the Issuer have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions shall have been made available to the Noteholders (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in paragraph (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (iii) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection by Noteholders at reasonable times during normal business hours at the specified office of each of the Paying Agents or may be provided by email to a Noteholder upon such Noteholder producing evidence as to its identity and proof of holding satisfactory to the relevant Paying Agent.

References in Condition 8(b) (*Events of Default – Breach of other Obligations*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 8(k) (*Events of Default – Guarantee not in force*) shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

13. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (except for the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*). In addition, so long as Notes are admitted to trading on the regulated market of The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (<https://live.euronext.com>). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second

currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. Governing Law and Jurisdiction

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Notwithstanding Condition 16(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of Process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Advokatfirmaet Kromann Reumert International A/S at 65 St. Paul's Churchyard, London EC4M 8AB, United Kingdom, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in new global note ("NGN") form. On 13 June 2006 the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystème"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystème eligibility - that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystème monetary policy and intra-day credit operations by the Eurosystème either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystème eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof at the request of the bearer of the Permanent Global Note if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

So long as the Notes are represented by a Temporary Global Note and/or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no Definitive Notes will be issued with a denomination above EUR 199,000.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 12 September 2024 (the "**Deed of Covenant**") executed

by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**business day**" means any day on which T2 is open.

Exercise of put option: In order to exercise the option contained in Condition 5(c) (*Redemption at the option of the Noteholders in the event of a Change of Control (Put Option)*) the bearer of the Permanent Global Note must, within the period specified in the Terms and Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Calculation of interest: the calculation of any interest amount in respect of any Note which is represented by the Temporary Global Note or the Permanent Global Note will be calculated on the aggregate outstanding nominal amount of the Notes represented by the Temporary Global Note or the Permanent Global Note (as the case may be) and not by reference to the Calculation Amount.

Electronic Consent and Written Resolution: While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The net proceeds of the issue of the Notes (estimated to be EUR 298,458,000) will be used by the Issuer for the Group's general corporate purposes, including the partial repurchase via a tender offer of the Existing Notes.

DESCRIPTION OF THE ISSUER

1 Information about the Issuer

The Issuer is a public limited liability company incorporated in Denmark and operating under Danish law and centrally registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) in Copenhagen, Denmark under CVR no. 31 08 01 85 and with the secondary name Skandinavisk Tobakskompagni A/S. The legal entity identifier of the Issuer is 5299003KG4JS99TRML67. The shares of the Issuer have been listed on Nasdaq Copenhagen A/S since February 2016. The principal registered office of the Issuer is located at Sandtoften 9, DK-2820 Gentofte, Denmark and the telephone number of the Issuer is +45 3955 6200. The information available on the Issuer's website, <https://www.st-group.com/>, does not form part of this Prospectus unless by specific reference.

On 29 August 2024, the share capital of the Issuer is DKK 86,000,000 and is divided into shares of DKK 1 each or multiples thereof. The issued share capital is fully paid up. The Issuer is the parent company of the Group.

According to Article 2 of the Issuer's Articles of Association, the corporate objectives of the Issuer are to carry on business at home and abroad, directly or through its subsidiaries, by manufacturing, distribution and marketing, and to undertake, perform and carry on all such other things incidental to the attainment of such objects.

The Issuer was established in 2010 through the combination of the cigar, pipe tobacco, fine-cut tobacco and tobacco-related accessories businesses of the former Skandinavisk Tobakskompagni A/S, which changed its name to Scandinavian Tobacco Group A/S in 2008 (now Skandinavisk Holding A/S) and the cigar, pipe tobacco and tobacco-related accessories businesses of Swedish Match AB (excluding Swedish Match's U.S. mass-market cigar business and certain other assets). The businesses of each of the parties were contributed to or acquired by Scandinavian Tobacco Group A/S, which had not previously conducted any commercial activities. In 2010, the Issuer's revenue amounted to DKK 5.4 bn.

Skandinavisk Tobakskompagni was founded in 1961 by three of Denmark's oldest and largest tobacco companies: Chr. Augustinus Fabrikker established in 1750, C.W. Obel established in 1787 and R. Færchs Fabrikker established in 1869. British American Tobacco became a shareholder of Skandinavisk Tobakskompagni in 1972.

In 2008, the Skandinavisk Tobakskompagni group and its ownership were reorganised. The cigarette and snus businesses were sold to the British American Tobacco group and the British American Tobacco group and R. Færchs Fabrikker left the group of shareholders, leaving the Augustinus Foundation and The Obel Family Foundation as the ultimate shareholders.

Prior to the reorganisation in 2008, the main activity of Skandinavisk Tobakskompagni was its cigarette business (House of Prince). It also had significant cigar, pipe tobacco and fine-cut tobacco operations.

In 2011, the Issuer acquired Lane Limited ("**Lane**"), a producer and brand owner of pipe tobacco, fine-cut tobacco and machine-made cigars in the U.S., from Reynolds American Inc. Through the acquisition of Lane, the Issuer acquired Captain Black (pipe tobacco and cigars), Bugler (fine-cut tobacco), Winchester (cigars) and other smaller brands. In 2013, the Issuer acquired the Pipes and Cigars online retail business in the U.S. This acquisition was followed by the acquisitions of Verellen, a Belgian brand owner and producer of machine-made cigars, and the Toraño handmade cigar brand, both in 2014.

In 2016, the shares in the Issuer were listed on Nasdaq Copenhagen.

In 2018, the Issuer acquired the business of Thompson and Co. of Tampa, Inc., a U.S. online cigar retailer, as well as the Peterson pipe tobacco business.

In 2019, the Issuer acquired certain pipe tobacco trademarks and designs from Dunhill Tobacco Company of London Limited, a subsidiary of British American Tobacco plc. and expanded its U.S. retail operations.

On 2 January 2020, the Issuer acquired Agio Beheer B.V., the holding company for the Agio Cigars group (a.k.a. "Royal Agio"), a leading European cigar business.

In 2021, the Issuer acquired a majority stake in Moderno Opificio de Sigaro Italiano, MOSI, which is an Italian cigar company with a small exclusive offering of traditional Italian machine-rolled cigars under the brand "Ambasciator Italico".

During 2022, the Issuer acquired Room101 cigar brands and accessories which complement Scandinavian Tobacco Group's handmade cigar business.

In 2023, the Issuer announced the acquisition of the Alec Bradley cigar business, a leading player in the premium cigar market in the U.S. This acquisition broadens the Issuer's blend book and expands opportunities for growth in the U.S. and international markets.

Also in 2023, the Issuer made its first acquisition in the oral pouch market (pouches with and without nicotine) when the Issuer acquired the Swedish brand XQS. The acquisition aims to explore growth opportunities in new product categories that will complement the core categories.

In October 2023, the Issuer acquired a niche handmade cigar brand in the U.S. called La Perla Habana which adds to the Issuer's exclusive portfolio of brands in the online and retail business.

In July 2024, the Issuer acquired 100% of the shares in Mac Baren Tobacco Company A/S, which includes pipe tobacco brands such as Mac Baren, Amphora and Holger Danske as well as fine-cut tobacco brands like Amsterdamer, Choice and Opal. In relation to the nicotine pouch market, the acquisition added the brands ACE and GRITT to the Group's portfolio. The enterprise value of the transaction was DKK 535 million.

The Issuer has a credit rating with Moody's. On the date of this Prospectus, the credit rating of the Issuer is Baa3 (investment grade).

2 Business Overview

The Group is a leading company in the cigar industry and holds strong market positions in selected markets within pipe and fine-cut tobacco and is developing its presence within "**Next Generation Products**", which includes smoke-free products such as nicotine pouches and nicotine-free pouches. In the assessment of management based on publicly available information, the Group is the leading online retailer of handmade cigars in the U.S. measured by volume.

As at the date of this Prospectus, the Group is present with sales offices in 18 countries, employs approximately 10,000 people worldwide and has 14 production sites. The Group's brand portfolio includes more than 200 international, regional, and locally established brands that target a wide range of consumer segments, local taste preferences and price points from premium to value.

The divisional structure

The Group is organised into three commercial divisions.

- The Europe Branded division includes sales of all product categories to wholesalers, distributors and direct to retail in Germany, Denmark, Sweden, France, Italy, Belgium, the Netherlands, Luxembourg, Spain, Portugal as well as the UK and Ireland.

In 2023, Europe Branded accounted for 33 per cent. of the Group's net sales, 35 per cent. of gross profit before special items and 32 per cent. of EBITDA before special items and group costs not allocated. In 2023, machine-made cigars accounted for 73 per cent. of the net sales of this division.

- North America Branded & Rest of World comprises the sale of all product categories to wholesalers and distributors that supply retail in North America (U.S. and Canada) and Rest of World which includes Australia, Asia, European Markets (where the Issuer does not have its own sales organisations), Global Travel Retail and Contract Manufacturing and Accessories (CMA).

In 2023, North America Branded & Rest of World accounted for 35 per cent. of the Group's net sales, 38 per cent. of gross profit before special items and 52 per cent. of EBITDA before special items and group costs not allocated. In 2023, handmade cigars accounted for 30 per cent. of the net sales in this division whereas machine-made cigars accounted for 26 per cent.

- The North America Online & Retail division includes direct-to-consumer sales of all product categories sold via online and catalogue channels as well as numerous retail stores in North America. The Group has six major business units supplying its products to consumers, with the largest being Cigars International, which hosts about one million active customers.

In 2023, North America Online & Retail accounted for 32 per cent of the Group's net sales, 27 per cent of gross profit before special items and 21 per cent. of EBITDA before special items and group costs not allocated. In 2023, handmade cigars accounted for 81 per cent of the net sales in this division.

For the year 2023, the contribution of product categories within each division contribute to total Group net sales as follows:



3 The Issuer's Vision and Strategy

The Issuer's vision is to be the undisputed and sustainable leader in cigars.

The strategy was launched in 2020 and covers a five-year period and is based on six Must-Win Battles on which the Issuer aims to successfully deliver by 2025. The Must-Win Battles are supported by four enablers, including (i) strengthened IT and data infrastructure, (ii) efficient operations, (iii) a steady intake of new talent into the Group and (iv) the identification of new paths to grow.

PURPOSE	CRAFT THE RITUALS THAT MAKE US MORE					
VISION	 BE THE UNDISPUTED & SUSTAINABLE GLOBAL LEADER IN CIGARS					
AMBITION	LARGER COMPANY		GROWING EBITDA MARGIN		OUTSTANDING CASH GENERATION	
MUST-WIN BATTLES	GROW OUR HANDMADE CIGAR BUSINESS	DRIVE FUTURE PROFIT GROWTH IN MACHINE ROLLED CIGARS	LEAD SUSTAINABILITY AGENDA IN CIGARS	INTEGRATE NEW MERGERS AND ACQUISITIONS	SIMPLIFY EVERYTHING WE DO	EMBRACE A PERFORMANCE CULTURE
ENABLERS	IT AND DATA CAPABILITIES AND INFRASTRUCTURE		LEAN, AGILE, EFFICIENT OPERATIONS		ATTRACTIVE EMPLOYER FOR TALENT	GROWTH INCUBATOR
VALUES	EMPOWER WITH PASSION		BLEND OUR STRENGTHS		CULTIVATE COURAGE	LIGHT THE WAY FORWARD

Must-win battles:

1. Grow the Group's handmade cigar business

The Issuer aims to continuously grow the handmade cigar business covering the Group's value chain from production to direct consumer engagement. The Group is driving growth across the business in the world's largest handmade cigar market, North America, as well as on a global scale.

The Issuer has acquired three new brands. In 2022, the boutique brand Room101 was added to the portfolio and in 2023, the Alec Bradley brand and La Perla Habana became part of the portfolio. In the past three years, eight superstores (retail sale stores) have been added to the Group's retail network in the U.S. to reach a total of eleven retail stores with the opening of more stores planned for the future. The total contribution to net sales and gross profits from handmade cigars to the Group's financial performance has increased by 6 per cent. in net sales and 9 per cent. in gross profit since 2020. As expected, the profit contribution declined in 2023, reflecting increased contribution of handmade cigars to the Group's financial performance during the COVID-19 pandemic in 2020 and 2021.

2. Drive future profit growth in machine-rolled cigars

The Issuer wants to drive sustainable profit growth in machine-rolled cigars by leveraging the Group's market leading positions across Europe and by refining its price management capabilities. The Group aims to simplify its portfolio to drive efficiencies, while staying relevant and competitive in the eyes of its consumers.

The Group has refined its pricing capabilities and managed to offset structural volume decline, despite a set-back during the second half of 2023. The Group has integrated Agio Cigars, which was acquired in 2020 and realised synergies throughout the integration process. The Group has also integrated the Italian niche player MOSI. The total nominal contribution to net sales and gross profits from machine-rolled cigars to the Group's financial performance has increased by 3 per cent. in net sales and by 8 per cent. in gross profit since 2020.

3. Lead the sustainability agenda in cigars

The Issuer strives to craft a better tomorrow by elevating communities and anchoring climate action in its corporate culture. The Issuer's ambition is rooted in its sustainability agenda – **"Rolling Responsibly"** – an integral part of Rolling Towards 2025. Rolling Responsibly covers two strategic pillars: "Net-zero along the journey of the leaf" and "Sustainable community pioneers".

In 2023, the Issuer executed on three priorities to deliver on Rolling Responsibly. This included preparation to meet regulatory compliance demands set forth by the Corporate Sustainability Reporting Directive ("CSRD"), reaching the Group's targets for 2023 on climate as defined in the Group's Science Based Targets initiative (SBTi) commitments and embedding sustainability into key business processes. The Group conducted a Double Materiality Assessment (DMA) and is incorporating the quantitative and qualitative aspects into the material topic workstreams and preparing for data gathering to comply with the CSRD. Further, the Group has gathered data and analysed Scope 3 emissions and has now set the baseline for measuring these going forward (see "*Description of the Issuer—Sustainability*").

4. Integrate new mergers and acquisitions

The Issuer will continue to explore different opportunities to grow the business, strengthen its market leading portfolio and leverage its costs through successful mergers and acquisitions. The Issuer aims to continue building capabilities to successfully integrate new acquisitions. The key focus points are to realise synergies fast and to ensure acquisitions improve the Group's Return On Invested Capital (ROIC).

Since 2020, the Group has completed seven acquisitions with a total purchase value of about DKK 2.5 billion (Royal Agio Cigars, Alec Bradley, Room101, MOSI, XQS, La Perla Habana and Mac Baren).

5. Simplify everything the Group does

The Issuer aims to reduce complexities and make it easier to drive its business by simplifying portfolios, operations and back-office functions. The Group will continue to simplify its IT infrastructure, increase digitalisation across the value chain, streamline the supply chain and establish simpler and more efficient distribution. Its key focus points are to build lean and efficient product portfolios through a reduction of stock keeping units (SKUs) and brands, and to increase digitalization throughout the Group.

The most significant enabler for simplifying the business is the transformation from the Group's current multiple ERP system landscape into one single ERP system. This transformation is expected to be fully implemented around year end 2025. The first go-live was executed in 2023 in Denmark and Sweden. In 2022, the Group invested in a new AutoStore warehouse facility in Bethlehem, U.S., which has improved efficiency and contributed to a margin expansion in our online and retail business during 2023.

6. Embrace a performance culture

The Issuer aims to continuously move in the right direction by embracing a performance culture with a strong focus on learning and development allowing improvements for the company and individual employees. The Issuer's key focus points are to position the Group as an attractive employer for international talent, to build competencies across the workforce, to increase efficiency and to further develop the leadership skills.

Growth Enablers

A crucial part of the growth strategy of the Issuer is the "Growth Enablers". These Growth Enablers have been identified as opportunities with significant potential to add growth to both net sales and earnings. Two of the growth enablers relate to the Group's core cigar business; firstly, the continuous retail expansion in the U.S. which currently has eleven superstores and the opening of more stores planned for the future, and secondly, the strengthening of the Group's consumer orientation on a global scale to increase growth in the international handmade cigar market. The third growth enabler is the development of Next Generation Products in key markets - Sweden, UK, Denmark, and the U.S.

4 Product Overview

The Group produces and sells a varied range of handmade cigars, machine-rolled cigars, smoking tobacco, Next Generation Products and tobacco-related accessories. The estimates presented below on the Group's position in different product categories and on the competitive situation are based

on the Issuer's discretion and the background for such discretion varies by market and product category.

Handmade cigars

The handmade cigars are individually crafted at different production sites in three of the world's most significant tobacco-growing countries: the Dominican Republic, Honduras and Nicaragua. From leaf sourcing to shelf, the Group strives to uphold the enduring artform to create products that deliver great moments of enjoyment. Due to access to high quality growers and suppliers of tobacco, the Group can leverage its global scale to achieve cost efficient sourcing, which gives a unique position in the market.

The Issuer estimates that the Group holds a number one position in the handmade cigar market in the U.S measured by sales volume. Additionally, the Issuer estimates that the Group is the largest online and catalogue retailer in the U.S. The Issuer estimates that the Group is approximately double in size in terms of sales volumes compared to its closest competitor.

In 2023, handmade cigars accounted for 37 per cent of the Group's net sales. Within the total net sales of handmade cigars, 64 per cent was attributable to the North American Online and Retail division. For the North American Online and Retail Division 91 per cent of net sales come from online sales and 9 per cent from retail. Additionally, North America Branded and Rest of World division accounted for 32 per cent of net sales, and the remaining 4 per cent. related to the Europe Branded division.

The total US market volume has increased by 8 per cent compounded annual growth rate ("CAGR") since 2019 (based on import data, which includes premium machine-rolled cigars) whereas the Group's volumes of handmade cigars in the US have remained flat with 0 per cent CAGR since 2019. However, the Group has grown its handmade cigars net sales by a CAGR of 7 per cent since 2019, including international sales of handmade cigars.

Machine-rolled cigars & smoking tobacco

The Group produces and sells a diverse range of machine-rolled cigars.

Similarly to the production of the handmade cigars, the access to high quality tobacco from Indonesia, Sri Lanka and the Dominican Republic ensures that the harvest of both the binder and the wrapper (which both play a critical role in the formation of a cigar) are of very high quality. The production of the machine-rolled cigars takes place in Belgium, Indonesia and the Dominican Republic.

The Issuer estimates that the Group holds a market-leading position in most of the markets in which it operates and has a strong and diversified brand portfolio. In 2023, machine-rolled cigars accounted for 35 per cent of the Group's net sales. 66 per cent of its net sales was attributable to the Europe Branded division. The top five markets for the Group's machine-rolled cigars are Belgium, France, the Netherlands, the UK, and Spain. The Group estimates it holds approximately 85% market share in Belgium, over 45% in France, the Netherlands, and the UK, and around 25% in Spain. North America Branded & Rest of World constituted 25 per cent of net sales of machine-rolled cigars while North America Online & Retail constituted 9 per cent.

The Issuer produces smoking tobacco, consisting of pipe tobacco and fine-cut tobacco. The pipe tobacco production site in Assens, Denmark is estimated to be one of the largest manufacturers of traditional pipe tobacco globally measured by volume. In 2023, smoking tobacco accounted for 14 per cent of the Group's net sales. Within the divisional sales, the North America Branded & Rest of World accounted for 45 per cent of net sales of pipe tobacco while 39 per cent was attributable to the Europe Branded division. The North America Online & Retail division represented 16 per cent of net sales of pipe tobacco.

The Issuer's fine-cut tobacco is manufactured at the production site in Holstebro, Denmark. In 2023, North America Branded & Rest of World represented 51 per cent of net sales of fine-cut tobacco whereas Europe Branded division made up the remaining 49 per cent.

With recent acquisition of Mac Baren, the Issuer added two more smoking tobacco manufacturing sites: in Denmark and in the US.

In the key European markets (Belgium, France, Germany, Italy, Netherlands, Spain, and the UK), the market for machine-rolled cigars has declined at a CAGR of 3 per cent since 2019. The Group has experienced growth in volume at a CAGR of 6 per cent during the same period and increased its total net sales of machine-rolled cigars by a CAGR of 8 per cent.

Next Generation Products

The Group sells and distributes own brands such as !act, STRÖM, XQS, ACE and GRITT in the Next Generation Products category in selected markets as well as distributing third-party products through its online distribution business in the US.

The Next Generation Products category includes "**Modern Whites**" (no tobacco, with nicotine) and "**Modern Actives**" (no tobacco, no nicotine). !act is the biggest brand in Denmark with double digit growth within Modern Actives. XQS ranks fourth in Sweden in Modern White category. The latest additions to this category are the ACE and GRITT brands, which were acquired as part of the Mac Baren acquisition.

The Groups' oral pouches are produced in Europe (Sweden, Denmark, and Poland), close to its largest active consumer base. The Group's target is to improve Group's financial performance through net sales growth with lower EBITDA margin attributable to this product category.

Furthermore, the Group classifies its business into core categories and growth enablers. The core category encompasses handmade cigars, machine-rolled cigars, and smoking tobacco. In 2023, this category accounted for 92 per cent of the Group's net sales. On the other hand, the growth enablers category includes international sales of handmade cigars, retail store expansion, and new product launches in the Next Generation Products category. In 2023, this category contributed 8 per cent to the Group's net sales.

5 Competitive Situation

In the Issuer's view, the Group is a world leading manufacturer of cigars, and holds a strong position in pipe and fine-cut tobacco measured by sales volume of own brands.

In handmade cigars, the Issuer estimates that the Group is the largest manufacturer to the U.S. market. Additionally, the Issuer estimates the Group to be holding the number one position in the online retail handmade cigar market in the U.S. market measured by sales volume.

In the European machine-rolled cigar market, the Issuer estimates that the Group is the largest producer covering all major geographic markets with its own sales organisations. In selected European machine-rolled cigar markets, including France, the UK, Belgium and the Netherlands, the Issuer estimates that the Group holds the number one position measured by sales volume.

In the pipe tobacco market, the Issuer estimates that the Group is the global leader measured by sales volumes, with number one position in several countries, including Germany, Denmark, Spain, Belgium, Australia and the U.S. The Issuer further estimates that the Group is perceived as the leader in its key markets consisting of the U.S. and Denmark within the fine cut tobacco segment.

Within the Next Generation Products market, the Issuer aims for the Group to establish a material presence in key markets.

6 Key Regulation in the EU and the US Relevant to the Issuer

The below highlights certain regulation which is particularly relevant for the Group's business.

Tobacco Products Directive (2014/40/EU) as amended by EU Commission Delegated Directive 2022/2100 ("TPD"):

The TPD includes regulation on how tobacco products can be produced, presented and sold and to a wide degree aligns the regulation of tobacco products within the EU. The directive requires

standardised health warnings on the packaging of tobacco products and prescribes the size and placing of them. The directive also includes, among others, a prohibition of cigarettes and roll-your-own tobacco with characterising flavours. Further, the TPD includes a requirement to report to EU countries on the ingredients used in tobacco products. Additionally, the TPD restricts what can be stated on the product packaging in terms of text, symbols, names etc., and further requires tobacco manufacturers to "track and trace" product movements within the EU and enable such tracking in most of the supply chain. It also allows EU countries to prohibit cross-border internet sales of tobacco products to consumers.

The TPD is currently undergoing statutory review by the EU Commission together with the Tobacco Advertising Directive (2003/33/EC) and other related tobacco control policies implemented across the EU. It is expected that the EU Commission will publish its evaluation report in the third quarter of 2024 (see "*Risk Factors—Risks Relating to the Group's Industry—The Group is already subject to and faces increasing tobacco product related regulation, which could have a material adverse effect on its business, financial condition and results of operations*").

Tobacco Products Excise Directive (2011/64/EU) ("TED"):

The TED includes definitions of the various tobacco product categories for excise tax purposes and determines the structure and minimum levels of tobacco excise tax in the EU.

The TED is under statutory review (see "*Risk Factors—Risks Relating to the Group's Industry—Changes in excise tax rates on tobacco products, in particular alignment of excise tax rates across tobacco product categories, could have a material adverse effect on demand for the Group's products*").

Regulation in the U.S.

In the U.S., the FDA has the regulatory responsibility for tobacco products, including cigars and pipe tobacco. The FDA regulation restricts in certain ways the access to market of tobacco products which were not already on the U.S. market as of 15 February 2007 or that have been modified after that date.

The regulation of cigars and pipe tobacco, which was first introduced in 2016, is complex and often requires essential additional FDA guidance and involves great uncertainty in terms of the specific requirements as well as timing. As described in this Prospectus, a ruling is pending on FDA's vacated regulation of premium cigars and the FDA has stated that a ban on non-tobacco characterizing flavours in cigars will be introduced (see "*Risk Factors—Risks Relating to the Group's Industry—The Group is already subject to and faces increasing tobacco product related regulation, which could have a material adverse effect on its business, financial condition and results of operations*"). Meanwhile, some U.S. states, as well as several counties and cities, have banned the local sale of flavoured tobacco products, often including cigars. Flavoured tobacco products sold in the U.S. make up about 5 per cent. of the Group's total net sales and profit.

U.S. federal regulation prohibits the retail sale of any tobacco product to anyone under the age of 21.

Online sales of tobacco products are subject to a requirement by the individual states that the seller collects the sales tax applicable in the state where the customer is residing. Some states have enacted regulation to have out-of-state retailers also collect and remit state excise tax on tobacco products, and more states are expected to implement similar regulation over time.

Impact of Regulation on the Group

The Group strives to be proactive and prepared ahead of time for the constantly changing regulatory environment.

By leveraging its know-how and scale compared to smaller competitors, the Group has the potential to grow its market share when smaller competitors struggle to meet regulatory requirements. The risks related to the regulatory environment is described in "*Risk Factors—Risks Relating to the Group's Industry—The Group is already subject to and faces increasing*".

tobacco product related regulation, which could have a material adverse effect on its business, financial condition and results of operations".

7 Legal Proceedings in the U.S.

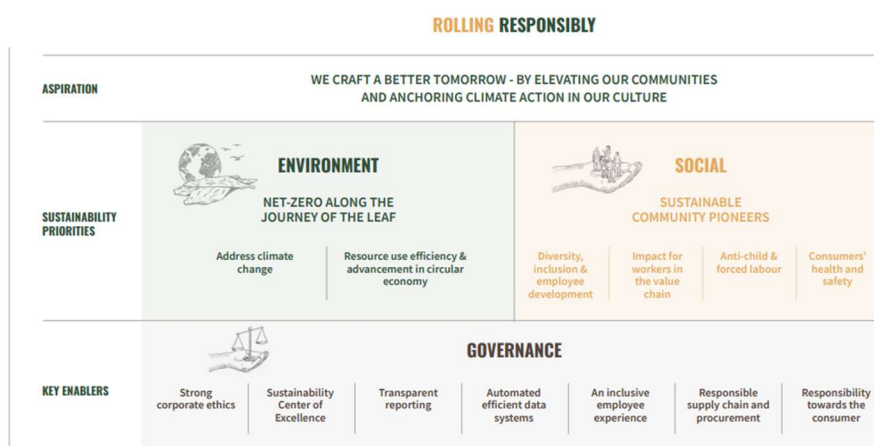
Since 1997, the Issuer's U.S. subsidiary General Cigar Co. has in the courts and before the U.S. Trademark Trial and Appeal Board (the "TTAB") defended its trademark registrations in the U.S. for the Cohiba trademark. The matter is currently pending before the U.S. District Court for the Eastern District of Virginia whose decision is expected in 2024 or 2025. The decision may be appealed. The ultimate outcome of this challenge cannot be predicted with certainty. In 2023, sales of Cohiba branded cigars accounted for about two per cent of the Group's total net sales.

8 Sustainability

The Issuer's code of conduct (the "Code" or "Code of Conduct") describes the behaviour the Issuer expects from every one of the Group's employees in order to ensure legal compliance and high ethical standards across its business. The Issuer expects all employees to set a good example of responsible business conduct. The Code of Conduct also comprises the Issuer's fundamental beliefs and general policies in the area of Social Responsibility, including the Issuer's commitment to respect human rights and labour rights, to limit its impact on the environment and its will to provide safe and healthy working conditions for its employees. Based on the Code of Conduct, the Issuer develops internal policies, guidelines and take initiatives to turn the Code into actions and to improve in terms of sustainability.

In 2021, the Issuer's board of directors and executive management decided to significantly increase the investments made in Corporate Social Responsibility (CSR) activities. The Issuer engaged the assistance of Boston Consulting Group to formulate a new agenda. This agenda was embedded into the Issuer's Corporate Strategy - "Rolling Towards 2025" - by updating the vision to "Be the undisputed global & sustainable leader in cigars" and as well as sustainability becoming a part of one of the Issuer's Must-Win Battles - "Lead the sustainability agenda in cigars" (see "— Description of the Issuer— the Issuer's Vision and Strategy").

In the first quarter of 2022, the Issuer launched its sustainability agenda, Rolling Responsibly. Further, the Issuer formed a central team in the Group's Strategy, Transformation & Sustainability department. The agenda has two pillars: (i) Net-zero on carbon emissions along the journey of the leaf and (ii) sustainable community pioneers, enveloping the material topics and enablers to deliver on the agenda.



In 2022, the Issuer significantly increased its sustainable reporting efforts in light of the upcoming regulation, CSRD. At the same time, the Issuer has committed to the near and long-term targets of the Group set out in the Science Based Targets initiative (SBTi). In 2022, the Issuer calculated Scope 1 and 2 emissions and set up the agenda according to material topics. The CSRD has been at the centre of the Issuer's efforts, building data and knowledge, making roadmaps to reach targets and installing reporting processes throughout the organisation.

In 2023, the Issuer calculated the Group's Scope 3 emissions and satisfied its Scope 1 and 2 targets. Furthermore, the Issuer underwent its first "Double Materiality Assessment" to determine which of the ten European Sustainability Reporting Standards (ESRS) topics it deems most material for the Group. From an inside-out perspective the Issuer considers the impact on people and planet most material. From an outside-in perspective, however, the Issuer considers the financial risks and opportunities the ones which impact the Group the most. The Rolling Responsibly agenda house was thus updated to reflect the six material topics, which the Issuer is currently working on. In addition, the Issuer made the decision to integrate the sustainability report into its annual report in 2023, one year prior to the reporting obligation becoming applicable under the CSRD regulation. Working to progress three priorities, the agenda is on track with the plan, namely: 1) CSRD preparedness, 2) meeting our climate commitments and 3) embedding sustainability into key business processes.

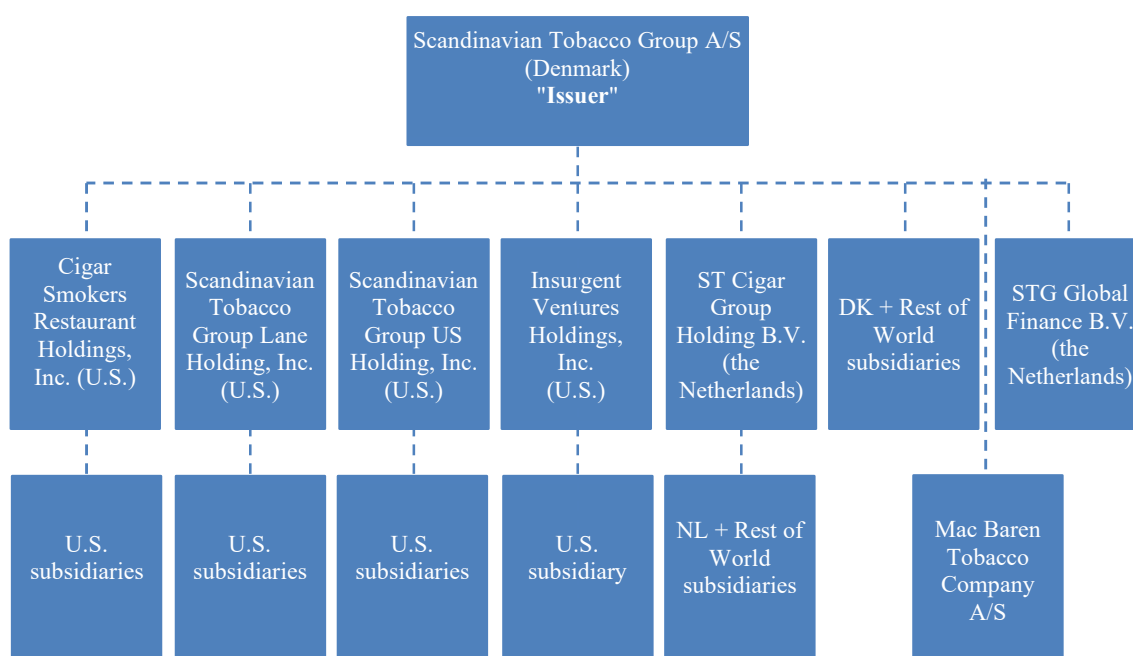
9 Organisational Structure

The Issuer is the parent company of the Group, which consists of a number of 100 per cent. owned subsidiaries in Europe, Asia, Australia, and America and one Italian subsidiary in which the Issuer owns 85 per cent. The Group is integrated with regard to both financial and operational matters. As manufacturing and sales and many related operations are carried out in, and many fixed assets and employees are held by, the Issuer's subsidiaries, the Issuer is dependent on other entities in the Group.

The chart below illustrates the relationship of the Issuer with its directly owned subsidiaries (all of which are wholly owned by the Issuer).

The Group - the Issuer's directly owned subsidiaries

Chart below illustrates the relationship between the Issuer and some its subsidiaries. Full information on investments in affiliated companies as per 31 December 2023 can be found on pages 124 and 125 of the annual report of the Issuer for the financial year ended 31 December 2023. Since then, the Issuer has added Mac Baren Tobacco Company A/S as a direct wholly-owned subsidiary.



10 Administrative, Management and Supervisory Bodies

The Issuer is governed by the board of directors (in Danish: *bestyrelsen*) (the "**Board of Directors**"), which has the overall responsibility for the management of the Issuer's business. The Issuer's executive management (in Danish: *direktionen*) (the "**Executive Management**") oversees

and is responsible for the day-to-day management and, in that capacity, follows the directions and guidelines provided by the Board of Directors.

According to the articles of association of the Issuer, the Board of Directors must consist of six to ten members elected by the general meeting. The Board of Directors currently consists of six members elected by the shareholders and three members elected by the employees.

The Board of Directors has appointed the Issuer's Executive Management, comprised of a Chief Executive Officer (the "CEO") and a Chief Financial Officer (the "CFO"). Members of the Board of Directors as well the Executive Management are registered with the Danish Business Authority. The day-to-day operations of the Issuer are managed by a wider group which in the Issuer is referred to as the "**Executive Board**". Further description of members of the Executive Board can be found on the Issuer's website, <https://www.st-group.com/>.

The business address of the Board of Directors and Executive Management is Sandtoften 9, DK-2820 Gentofte, Denmark.

Board of Directors

The members of the Board of Directors, as at the date of this Prospectus, are:

- Henrik Brandt, Chairman
- Henrik Amsinck, Board member
- Jörg Biebernick, Board member
- Dianne Neal Blixt, Board member
- Marlene Forsell, Board member
- Anders C. Obel, Board member
- Karsten Dam Larsen, Board member (elected by the employees)
- Mark Draper, Board member (elected by the employees)
- Thomas Thomsen, Board member (elected by the employees)

Henrik Brandt is chairman of the Board of Directors. He was elected as vice-chairman in 2017 and chairman in 2022. He holds an MBA from Stanford University and a Master of Science (Econ) from Copenhagen Business School. He also serves as chairman of the board of directors of Toms Gruppen A/S, Fritz Hansen A/S, Intervare A/S (and its subsidiary nemlig.com A/S) and of Gerda & Victor B. Strand Holding A/S. Furthermore, he serves as a member of the board of directors of Ferd Holding as, Norway, and Gerda & Victor B. Strands Fond/Toms Gruppens Fond.

Henrik Amsinck is a member of the Board of Directors. He was elected in 2021. He holds a Master of Science in Business Economics from Aarhus University. He is also a member of the board of directors of DSB SOV (member of the Board committee and Audit Committee), Eltronic A/S, and Falck IT Poland Sp.z.o.o. He is Chief Information Officer of Falck Danmark A/S.

Jörg Biebernick is a member of the Board of Directors. He was elected in 2024. He holds a Diplom Kaufmann degree from Koblenz School of Corporate Management. He serves as CEO of Paulaner Brauerei Gruppe GmbH & Co. KGa.

Dianne Neal Blixt is a member of the Board of Directors. She was elected in 2016. She holds a Master's degree in Business Administration and Finance from the University of North Carolina at Greensboro. She also serves as member of the board of directors of Ameriprise Financial Services, Inc. (Chair of the Compensation Committee; member of the Audit and Risk Committee and member of the Executive Committee), Triad Business Bank (member of the Operating Risk Committee and the Audit Committee), and as a member of the board of directors of Winston-Salem Police Foundation.

Marlene Forsell is a member of the Board of Directors. She was elected in 2019. She holds a Master of Science degree in Business Administration and Economics from Stockholm School of Economics. She also serves as member of the board of directors of Kambi Group plc (Board Committee; Audit Committee chairman), Lime Technologies AB (Board Committee; Audit Committee chairman), Nobia AB (Board Committee; Audit Committee chairman), and InDex Pharmaceuticals Holding AB, AddSecure AB (Board Committee; Audit Committee chairman), and Viedoc technologies AB.

Anders C. Obel is a member of the Board of Directors. He was elected in 2018. He holds a BSc in Economics and Business Administration from Copenhagen Business School. He also serves as chairman of the board of directors of C.W. Obel Bolig A/S, C.W. Obel Ejendomme A/S, Obel-LFI Ejendomme A/S, Semco Maritime A/S, Semco Maritime Holding A/S, Goodvalley A/S, Woodmancott Fonden and Haxholm v/ Anders Christen Obel. Furthermore, he serves as vice-chairman of the board of directors of Fritz Hansen A/S and Skandinavisk Holding A/S, and as a member of the board of directors of Scandinavian Tobacco Group's Gavefond, Minkpapir A/S, Palcut A/S, C.W. Obels Fond, Danmark-Amerika Fondet (Danmarks amerikanske selskab), Fonden Det Obelske Jubilæumskollegium, Mullerupgaard- og Gl. Estrupfonden, Høvdingsgaard Fonden, Skjørringefonden, Aktieselskabet Dampskibsselskabet Orient's Fond, Kilsmark A/S, Rexholm A/S, A/S Motortramp, Skovselskabet af 13 December 2017 A/S, and Ejendomsselskabet Amaliegade 49 A/S. He also serves as the CEO of C.W. Obel A/S, Anders Christen Obel ApS, and Det Obelske Familiefond.

Karsten Dam Larsen is a member of the Board of Directors. He was elected in 2023 by the employees. He is technician and an educated construction and machinery blacksmith.

Mark Draper is a member of the Board of Directors. He was elected in 2023 by the employees. He holds a Master's degree in strategic studies from the U.S. Army War College.

Thomas Thomsen is a member of the Board of Directors. He was elected in 2023 by the employees. He holds a degree in sales and marketing from Lyngby Business College. He is also a partner in Lyngby Multi Service I/S.

Executive Management

The members of the Issuer's Executive Management, as at the date of this Prospectus, are:

- Niels Frederiksen, CEO
- Marianne Rørslev Bock, Executive Vice President and CFO

Niels Frederiksen became CEO of the Issuer in 2015 and has held various positions in the Issuer since 1999, including Senior Vice President and Executive Vice President. He is currently also the chairman of the board of directors of Boman A/S as well as a member of the board of directors or management of several subsidiaries of the Issuer.

Marianne Rørslev Bock joined the Issuer in 2018 as Executive Vice-President and CFO. She joined the Issuer from a position as CFO of Brdr. Hartmann A/S and has previously held various finance leadership positions in Danisco (1994-2012). She is currently also vice-chairman of the board of directors of Kemp & Lauritzen A/S, the Axel Muusfeldts Foundation and the Danish Financial Supervisory Authority (Chair of the Accounting Committee), and she is a member of the board of directors of Mahia 17 ApS, Dagrofa ApS (Chair of the Audit Committee), and Axel Muusfeldts Fond Holding A/S, as well as a member of the Danish Committee on Corporate Governance. Furthermore, she is a member of the board of directors or management of numerous subsidiaries of the Issuer.

Statement of Conflicts of Interests

No member of the Issuer's Board of Directors or Executive Management as listed above has any conflict of interest between their duties to the Issuer and their private interests and/or other duties. Anders C. Obel is the CEO of C.W. Obel A/S, which holds more than 10 per cent. of the shares in the Issuer.

Major Shareholders

On 28 August 2024, Chr. Augustinus Fabrikker Aktieselskab holds more than 25 per cent. ownership interest in the Issuer. Other shareholders holding 5 per cent. or more of the ownership interest and/or voting rights in the Issuer are C.W. Obel A/S (more than 10 per cent.) and Capital Group Companies, Inc. (more than 5 per cent.). Further, the Issuer holds more than 5 per cent. in treasury shares.

No shareholder has a controlling interest in the Issuer. Each share has one vote, and all shares have the same rights.

The Issuer is neither aware of any agreements between the shareholders of the Issuer concerning the ownership of shares in the Issuer nor is the Issuer aware of any agreements which could result in a change of control of the Issuer. The Issuer has implemented specific take-over guidelines which apply in the event a takeover offer for the shares of the Issuer is presented or if the Issuer is approached by an acquirer wanting to initiate a takeover offer for the Issuer.

11 Material Legal Proceedings

The Group has no pending governmental, legal or arbitration proceedings (including any proceedings which are threatened of which the Issuer is aware) which may have, or have had, in the past 12 months, a significant effect on the financial position or profitability of the Group or the Issuer.

12 Material Contracts

Except as disclosed below in relation to financing, the Issuer has not entered into any material contracts outside of its ordinary course of business which could result in any member of the Group being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to holders of the Notes.

13 Facilities Agreement

The Issuer has a facilities agreement (the "**Facilities Agreement**") dated 19 March 2020 with certain Nordic banks as lenders. The Facilities Agreement provides a committed credit facility with a maturity date on 19 March 2027 (the "**Final Maturity Date**"). Originally the maturity was in 2025, but pursuant to the terms of the Facilities Agreement, the Issuer exercised its right of extending the Final Maturity Date by 12 months twice prior to each of the first and the second anniversary of the Facilities Agreement.

The Facilities Agreement is a revolving facility in the amount of EUR 450 million (the "**Revolving Facility**"). The Revolving Facility is available for general corporate purposes, including distributions of dividends. New drawings on the Revolving Facility may be made until one month prior to the Final Maturity Date. The Revolving Facility bears interest at a variable rate and includes a margin adjustment based on the Group's leverage. The Issuer has committed facilities through its core banking group.

Under the Facilities Agreement, the Issuer has made a number of customary representations and warranties on the date of execution of the Facilities Agreement, certain of which are deemed to be repeated in certain circumstances thereafter. In addition, the Facilities Agreement contains certain covenants in respect of the future maintenance and conduct of the Group's business (subject to agreed exceptions and limitations), including, among others, various restrictive covenants such as restrictions on mergers, change of business, payment of dividends, negative pledge and requirements as to financial information.

Additionally, the Facilities Agreement imposes certain restrictions on the Group with respect to making new acquisitions or investments in companies, businesses, shares or similar assets, or make any dividend payments or redemptions of share capital, as such actions will have to comply with specific financial performance requirements set out in the Facilities Agreement.

The facility under the Facilities Agreement may become wholly or partly pre-payable on the occurrence of certain customary events, including a change of control or breach of international

financial sanctions. A "change of control" is defined under the Facilities Agreement as the situation in which any person gains control of the Issuer (except for the existing shareholders). The "existing shareholders" are defined as the Augustinus Foundation and The Obel Family Foundation and any company directly or indirectly controlled by any such party, and "control" is defined as controlling influence (in Danish: *bestemmende indflydelse*) as defined in section 44 of the Danish Capital Markets Act.

The Facilities Agreement contains customary events of default subject to specified exceptions, materiality, grace periods, baskets, thresholds, qualifications and remedy periods, including, among others, non-payment of principal or interest, breach of financial or other covenants, material breach of representations and warranties, cross-default above a certain agreed threshold amount, certain insolvency and bankruptcy events and judgements against the Group in excess of a certain agreed threshold and a material adverse change.

Indebtedness under the Facilities Agreement may be voluntarily prepaid in whole or part, subject to notice, minimum amounts and early repayment fees.

SELECTED FINANCIAL INFORMATION OF THE ISSUER

Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

Historical financial information

The financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and additional Danish disclosure requirements for listed companies and further requirements in the Danish Financial Statements Act. Such financial statements, together with the reports of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab ("PwC") and the accompanying notes, appear elsewhere in this Prospectus including by way of incorporation by reference. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

The following tables set out in summary form the balance sheet and income statement information relating to the Issuer on a consolidated basis. Such information is derived from the unaudited consolidated financial statements of the Issuer as at and for the six months ended 30 June 2024 and 30 June 2023 and from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2023 and 31 December 2022.

Two-year summary (2022 -2024)

DKK million	Six months ended 30 June 2024 Unaudited	Six months ended 30 June 2023 Unaudited	2023 (Full year) Audited	2022 (Full year) Audited
INCOME STATEMENT				
Net sales	4,314	4,188	8,731	8,762
Gross profits before special items	1,990	2,023	4,204	4,307
EBITDA before special items	915	987	2,106	2,270
Special items	-83	-44	-92	35
EBIT	637	764	1,638	1,953
Net financial items	-107	-53	-177	-137
Income taxes	-122	-164	-308	-380
Net profit	422	563	1,182	1,476
BALANCE SHEET				
Total assets	16,428	16,350	15,853	15,122
Equity	8,881	8,994	9,434	9,342
Net interest-bearing debt (NIBD)	5,364	5,059	4,057	3,629
Investment in property, plant and equipment	100	88	199	264
Total capital expenditures	132	146	308	390
CASH FLOW STATEMENT				
Cash flow from operating activities	175	120	1,347	1,393
Cash flow from investing activities	-210	-722	-875	-132
Free cash flow	-34	-603	472	1,261
Free cash flow before acquisitions	52	-20	1,053	1,264

DESCRIPTION OF ALTERNATIVE PERFORMANCE MEASURES

This section provides further information in relation to alternative performance measures applied by the Issuer for the purposes of the guidelines published by ESMA.

Non-IFRS Measures

To account for the nature of its operations, the Issuer reports on certain performance measures which captures the financial position, performance or cash flows not described by the International Financial Reporting Standards ("IFRS"). Such measures are included to reflect the acquisitive nature of the Group, adjust for non-recurring items or separate currency gains and losses from operational gains. Below are examples of alternative performance measures reported by the Issuer:

- **"Annual growth in ordinary dividends"** is defined as annual growth in ordinary dividends.
- **"Annual growth in free cash flow"** is defined as the annual growth in free cash flow.
- **"Cash conversion"** is calculated as CFFO (cash flow from operating activities) before interest and tax, excluding payment of special items - Maintenance CAPEX, divided by the adjusted operating profit (EBITA before special items).
- **"EBIT"** is calculated as earnings before interest and tax.
- **"EBITA before special items"** is calculated as earnings before interest, tax, amortisation and special items.
- **"EBIT before special items"** is calculated as earnings before interest, tax, and special items.
- **"EBITDA before special items"** is calculated as earnings before interest, tax, depreciation, amortisation and special items.
- **"EBITDA Growth"** is defined as growth in EBITDA.
- **"EBITDA margin before special items"** is calculated as earnings before interest, tax, depreciation, amortisation and special items relative to reported net sales.
- **"Effective tax rate (%)"** is defined as income taxes relative to profit before tax.
- **"Equity Ratio"** is defined as equity relative to total assets.
- **"Financial expenses, excluding currency losses or gains and fair value adjustments"** is defined as financial expenses before currency impact and fair value adjustments.
- **"Free cash flow before acquisitions"** is calculated as cash flow from operating activities less cash flow from investing activities adjusted for acquisitions/divestments.
- **"Gross margin before special items"** means gross profit before special items divided by net sales.
- **"Leverage-ratio"** is defined as net interest bearing debt divided by EBITDA before special items.
- **"Leverage target"** is defined as 2.5x NIBD divided by EBITDA before special items.
- **"Net interest bearing debt" or "NIBD"** is defined as interest-bearing liabilities and pensions less cash equivalents and interest-bearing receivables.
- **"Net Working Capital"** is defined as the sum of receivables, inventory and payables.

- **"NIBD/EBITDA ratio before special items"** is defined as NIBD divided by EBITDA before special items.
- **"Net sales growth"** is defined as growth in net sales.
- **"Organic net sales growth"** is defined as growth in net sales before special items and impact from currencies, acquisitions and change in accounting policies.
- **"Organic EBITDA growth"** is defined as growth in EBITDA before special items and impact from currencies, acquisitions and changes in accounting policies.
- **"Pay-out ratio"** means the proposed and interim dividend divided by Net profit.
- **"Return on Invested Capital" or "ROIC"** means EBIT divided by 12 months average invested capital ("**average invested capital**" comprises intangible assets, property, plant and equipment, right-of-use assets, inventories, receivables (excluding receivables recognised at fair value) and prepayments less trade creditors, provisions and other liabilities (excluding other liabilities recognised at fair value)).
- **"ROIC excluding goodwill"** means EBIT divided by 12 months average invested capital excluding goodwill.
- **"Adjusted earnings per share"** means net profit adjusted for special items and fair value adjustments and currency gains/losses, net of tax divided by average number of shares outstanding.

The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Issuer's consolidated IFRS results. Non-IFRS measures and ratios are not measurements of the Issuer's performance or liquidity under IFRS as adopted by the EU and investors should bear this in mind when considering non-IFRS measures as alternatives to operating profit or profit for the year or other performance measures derived in accordance with IFRS as adopted by the EU or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities. Investors should rely on the Issuer's consolidated IFRS results, supplemented by its non-IFRS measures, to evaluate the Group's performance.

TAXATION

The tax laws of the investor's jurisdiction and of the Issuer's jurisdiction might have an impact on the income received from the Notes. The following is a general description of certain Danish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Kingdom of Denmark of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

The Kingdom of Denmark

The comments below, which are of a general nature, are a summary of the Issuer's understanding of current Danish tax law as applied in Denmark relating to certain aspects of the Danish withholding tax treatment at the date hereof in relation to payments of interest (as that term is understood for Danish tax purposes) in respect of the Notes. They do not deal with any other Danish taxation aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and do not apply to certain classes of person (such as dealers and persons connected with the Issuer). Furthermore, the comments are made under the assumption that the Notes qualify as a debt instrument under Danish tax law, that the general anti avoidance rule in Section 3 of the Danish Tax Assessment Act does not apply, and that the terms of the Notes constitutes arm's length terms.

Prospective holders of Notes should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The Danish tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who may be liable to tax in a jurisdiction other than Denmark are strongly advised to consult their own professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). The comments assume that no security will be created for the benefit of the Notes, that there will be no substitution of the Issuer and do not address the consequences of such substitution (notwithstanding that such substitution is permitted by the terms and conditions of the Notes), that the Issuer will not issue any Notes from or through any branch situated outside Denmark. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Taxation at source - non-Danish tax resident holders of the Notes

Under existing Danish tax laws, no general withholding tax or coupon tax will apply to payments of interest, principal or other amounts due on the Notes, other than in certain cases on payments of controlled debt in relation to the Issuer as referred to in sec. 2(1)(d) of the Danish Corporation Tax Act (cf. Consolidated Act no. 1241 of 22 August 2022, as amended).

Payments from the Issuer to Noteholders will not be subject to Danish withholding tax if the relevant Noteholder is not affiliated with the Issuer pursuant to Chapter 4 of the Danish Tax Control Act (Consolidated Act. no. 12 of 8 January 2024, as amended).

No Danish withholding tax will be payable with respect to any capital gain realised upon the sale, exchange, transfer or retirement of a Note subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in the first paragraph above.

The tax treatment described in the three paragraphs above applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

Resident holders of Notes

Private individuals, including persons who are engaged in financial trade, companies and similar entities resident in Denmark for tax purposes or entities receiving interest on the Notes through their permanent establishment in Denmark, are liable to pay tax on interest received on the Notes.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish Act on taxation of gains and losses on claims, debt and financial contracts (in Danish: "*Kursgevinstloven*") (the "**Act**"). Gains and losses on Notes held by corporate entities are generally included in their taxable income in accordance with mark-to-market principles (in Danish: "*lagerprincippet*"), i.e. on a non-realised basis. Gains and losses on Notes held by individuals are generally included in their taxable income on a realised basis and if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation.

Pension funds and other entities governed by the Danish act on taxation of pension yield (in Danish: "*Pensionsafkastbeskatningsloven*") would be taxed on the annual value increase or decrease of the Notes according to mark-to-market principles as specifically laid down in the Act.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, at the date of this Prospectus, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. (including by reason of a substitution of the Issuer). However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that

are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Citigroup Global Markets Europe AG, Danske Bank A/S, Jyske Bank A/S and Nordea Bank Abp (the "**Joint Bookrunners**") have in a subscription agreement dated 10 September 2024 (the "**Subscription Agreement**") and made between the Issuer and the Joint Bookrunners, upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe and pay for the Notes.

The Joint Bookrunners will be entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of the Notes. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Joint Bookrunners in respect of any expense incurred or loss suffered in these circumstances.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the distribution of the Notes, within the U.S. or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the U.S. by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive 2016/97/EU (the Insurance Distribution Directive), as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has further represented, warranted and undertaken that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018.

Other Regulatory Requirements

Each Joint Bookrunner has further represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Kingdom of Denmark

Each Joint Bookrunner has represented and agreed that it has not offered or sold, and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Prospectus Regulation, the Danish Capital Markets Act, consolidated act no. 198 of 26 February 2024, as amended, and any executive orders issued thereunder and in compliance with Executive Order no. 760 of 14 June 2024 issued pursuant to, inter alia, the Danish Financial Business Act, consolidated act no. 1731 of 5 December 2023, as amended, to the extent applicable.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Joint Bookrunner has undertaken to the Issuer that, to the best of its knowledge and belief, it will comply in all material respects with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 22 August 2024.

Legal and Arbitration Proceedings

2. Save as disclosed in "*Description of the Issuer—Legal Proceedings in the U.S.*" in this Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

Significant/Material Change

3. Since 31 December 2023 there has been no material adverse change in the prospects of the Issuer or the Group. Since 30 June 2024, there has not been any significant change in the financial position or financial performance of the Issuer or the Group.

Auditors

4. The consolidated financial statements of the Issuer have been audited without qualification for the year ended 31 December 2023 by PwC, by state-authorised public accountants Søren Ørjan Jensen and Michael Groth Hansen and the year ended 31 December 2022 by PwC, by state-authorised public accountants Michael Groth Hansen and Kim Danstrup. Søren Ørjan Jensen, Michael Groth Hansen and Kim Danstrup are members of FSR - danske revisorer.

Validity of the Prospectus and Prospectus Supplements

5. This Prospectus is valid for twelve months. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the end of the offer or admission to trading of the Notes.

Documents on Display

6. Copies of the following documents (together with English translations thereof) can be found on the Issuer's website, <https://www.st-group.com> from the date of this Prospectus:
 - a) the Articles of Association of the Issuer (<https://www.st-group.com/en/our-company/governance/reports-and-documents>);
 - b) the Deed of Covenant;
 - c) the audited consolidated financial statements of the Issuer for the years ended 31 December 2023 and 31 December 2022; and
 - d) the unaudited consolidated interim financial statements of the Issuer for the six months ended 30 June 2024.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

Yield

7. On the basis of the issue price of the Notes of 99.831 per cent. of their principal amount, the yield of the Notes is 4.914 per cent on an annual basis.

Legend Concerning U.S. Persons

8. The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

ISIN and Common Code

9. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2891752888 and the common code is 289175288.

Listing Agent

10. Walkers Professional Services (Ireland) Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the official list of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

The Legal Entity Identifier

11. The Legal Entity Identifier code of the Issuer is 5299003KG4JS99TRML67.

Conflicts of Interest

12. Certain of the Joint Bookrunners have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Language

13. The language of this Prospectus is English. Any other language text that is included with or within this document has been included for convenience purposes only and does not form part of the prospectus.

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DK-8600 Silkeborg
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Nordea Bank Abp

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To the Joint Bookrunners as to English law:

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