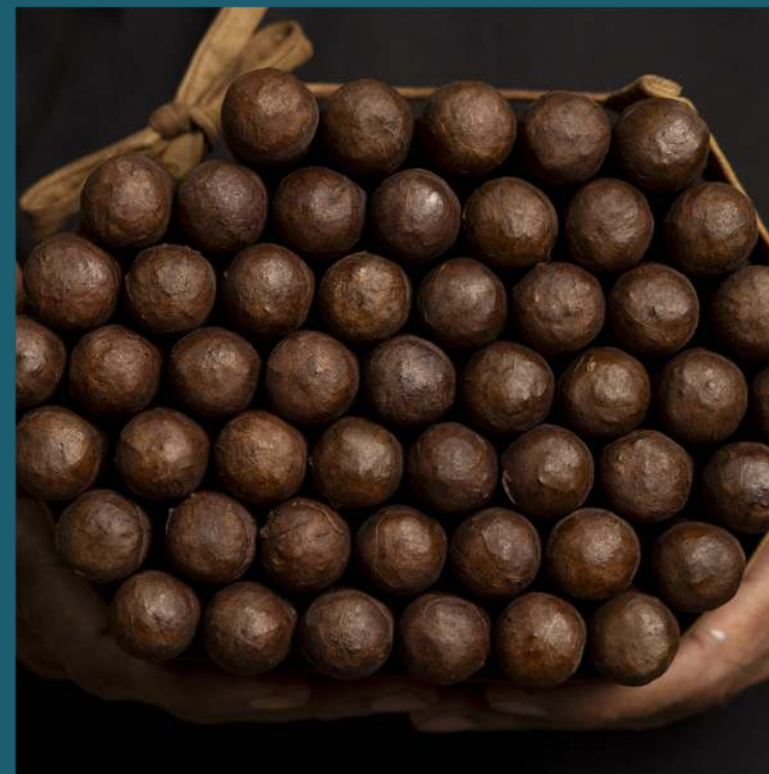




SCANDINAVIAN TOBACCO GROUP

REMUNERATION REPORT 2025



Scandinavian
Tobacco Group A/S
CVR 31 08 01 85
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2820 Gentofte
Denmark



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Our 2025 Annual Report addresses our financial performance, strategic execution and other important aspects of our business operations. Read the report

This Remuneration Report (Remuneration Report) is an overview of the total remuneration received by each member of the Board of Directors (BoD) and of the Executive Management of Scandinavian Tobacco Group A/S, CVR no. 31 08 01 85, (the Company) for the 2025 financial year, and for previous financial years where it is relevant. Reference to the “Executive Management” in the Remuneration Report means the members of management of the Company registered as such with the Danish Business Authority (in Danish: Erhvervsstyrelsen).

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act (in Danish: Selskabsloven) and the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance(in Danish: Komitéen for god Selskabsledelse). It will be presented to shareholders for an advisory vote (in Danish: vejledende afstemning) at the 2026 Annual General Meeting.



LETTER FROM THE REMUNERATION COMMITTEE CHAIR

On behalf of the Board of Directors, I am pleased to present the Remuneration Report for 2025. This report sets out our approach to remuneration and provides a clear overview of how the Board of Directors and Executive Management were compensated during the year, in line with our governance responsibilities and commitment to transparency.

2025 presented a demanding operating environment for Scandinavian Tobacco Group, with external volatility including U.S. tariffs, weaker consumer sentiment, and currency headwinds that affected several parts of the business. These developments required a midyear revision of expectations, and the Board of Directors monitored performance against the updated guidance throughout the remaining year.

The Board of Directors closely monitored progress across our core cigar business and our growth enablers during the year. Whereas we were challenged in the core business, growth in nicotine pouches and strong momentum in our own retail stores reflect encouraging underlying trends. The integration of Mac Baren and the ERP rollout across Europe and Asia were substantial operational undertakings. Margin pressure was evident in several divisions, and the Board of Directors continues to engage with management on actions to address market dynamics, competitive intensity, and product mix evolution.

The launch of the new five-year strategy Focus2030 in November 2025 was a key milestone and the Board engaged regularly throughout the year with Management to discuss and align on the strategy and our long-term financial ambitions. The Board of Directors also continued to oversee

capital allocation, and notes that over the past five years almost DKK 6 billion has been returned to shareholders through dividends and share buybacks. This remains an important measure of our commitment to create shareholder value.

Sustainability and remuneration remain key areas of the Board of Director’s focus. In 2025, the Group advanced its Rolling Responsibly agenda, reducing Scope 1 & 2 emissions, achieving SBTi (Science Based Targets initiative) validation, improving its CDP Climate score, and linking 10% of the 2025–2027 LTIP to emissions reduction targets. These steps strengthen the alignment between leadership incentives and the company’s long term commitments. The Board of Directors was also pleased to see a 94% participation rate in the Global Employee Engagement Survey, demonstrating strong organisational engagement. The Remuneration Committee will continue to ensure that our reward frameworks support performance, accountability, and responsible leadership.

In 2025, the Board of Directors assessed the Executive Management’s performance against agreed objectives, resulting in a short-term incentive payout of 41.7% of target, reflecting progress made in some areas alongside areas which performed below ambition. The 2023-2025 LTIP vested at 15% of target, reflecting that the external environment is significantly less predictable and more volatile than we have seen for many years.

The performance of LTIP 2024-2026 and LTIP 2025-2027 are tracking below targets, which reflects our reduced financial and operational performance and less predictability.

Following the 2025 Annual General Meeting, the Remuneration Committee carried out its annual review of our Remuneration Policy and concluded that no changes were necessary this year. The current framework continues to support our aim of motivating and rewarding executives to deliver sustainable growth and achieve our strategic objectives, creating value for all stakeholders. The Committee remains attentive to developments in executive and Board remuneration, including regulatory changes, market trends, and feedback from shareholders and other stakeholders.

For a full overview of the Committee’s activities in 2025, I encourage you to consult the Corporate Governance Report.

The remuneration report for the fiscal year 2024 was submitted for an advisory vote at the Annual General Meeting held on 09 April 2025 and was approved without any comments This Remuneration Report will be submitted for an advisory vote at the Annual General Meeting in April 2026, and we welcome your feedback and continued engagement.

Thank you for your trust and support.

Henrik Brandt
Chair of the Remuneration Committee





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REMUNERATION OF THE BOARD OF DIRECTORS

2.1 Remuneration policy overview

Table 1. Remuneration policy overview

Remuneration Component	Remuneration Policy	2025 Remuneration
Base fee	Members of the Board of Directors receive a fixed annual base fee, which is paid to them in cash. Ordinary Board members receive a fixed amount, while the Chairman and the Vice-chairman receive multiples thereof.	The base fee level and the multipliers were maintained at the same level as in 2024.
Board committee fee	To reflect the additional time commitment and responsibility of chairing or attending a Board committee, fixed annual fees are additionally paid to Board members who undertake such supplementary duties.	The multipliers for all committees were maintained at the same level as in 2024.
Fee for ad hoc tasks	If the Board of Directors instructs a Board member to perform specific ad hoc tasks beyond the Board member’s ordinary duties, or if there is a temporary increase in the time required to carry out their normal duties, such Board member may receive separate supplementary fixed remuneration in this regard. Such remuneration shall be subject to the prior or subsequent approval in the General Meeting and shall be reported in the Remuneration Report.	The Board has authorized Henrik Amsinck, the Board member with special IT competences, to perform a specific ad hoc task in relation to the Company’s project “OneProcess” (global roll out of ERP SAP S/4HANA). As of 1 July 2022 and until 9 April 2025, Henrik Amsinck received a separate supplementary remuneration equal to 25% of the base fee.
Incentive based remuneration	The Company does not provide any incentive-based remuneration.	No stock options, warrants or participation in other incentive schemes were offered to the Board members, except for employee-elected Board members, who as employees in STG may be eligible to participate in ordinary cash-based incentive programmes and share programmes.
Social security taxes	The Company may pay and cover social security charges and similar taxes imposed by foreign authorities in relation to Board members’ fees.	STG paid social security taxes imposed by foreign authorities in relation to the Board members.
Other benefits	The Company does not provide any retention or termination benefits, or retirement benefits for appointments to its Board of Directors. Employee-elected members of the Board of Directors may receive such remuneration and benefits in connection with their employment within the wider Company.	No other benefits were offered to the Board members.
Expenses	Expenses incurred by members of the Board of Directors in performing their duties, such as travel, subsistence and accommodation, will be reimbursed by the Company. Expenses relating to any training that Board members receive would also be reimbursed.	STG reimbursed reasonable expenses relating to travel and accommodation for the Board members.
Directors' and officers' liability insurance and indemnification	Board members are covered by customary directors' and officers' liability insurance and are indemnified against claims for damages as considered appropriate from time to time and supplemented with a scheme that allows for indemnification of current, former, and future Board members.	STG upheld and paid the costs of Directors' and Officers' liability insurance that covers Board members.



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REMUNERATION OF THE BOARD OF DIRECTORS – CONTINUED

2.2 Board remuneration in 2025

At the Annual General Meeting held on 9 April 2025, shareholders approved the fees for 2025 set out in Table 2. The base fee remained unchanged from the financial year 2024 at DKK 440,000 per annum. The general meeting re-elected Henrik Brandt, Jörg Biebernck, Dianne Blixt, Marlene Forsell and Anders C. Obel, and elected Ricardo Oberlander as members of the Board of Directors. Henrik Amsinck had decided not to stand for re-election.

In 2025, members of the Board of Directors and the board committees received fixed annual fees in the aggregate amount of DKK 6.6 million (2024: DKK 6.5 million). The fees each serving member received for the year are provided in Table 3.

The Board has authorized Henrik Amsinck, the Board member with special IT competences, to perform a specific ad hoc task in relation to the Company’s project “OneProcess” (global roll out of ERP SAP S/4HANA). As of 1 July 2022 and until 9 April 2025, Henrik Amsinck received a separate supplementary remuneration equal to 25% of the base fee. During the year, the Company additionally paid social security charges and similar taxes imposed by foreign authorities in relation to the Board members’ fees of DKK 0.2 million (2024: DKK 0.2 million).

2.3 Shareholdings of the Board of Directors

Members of the Board of Directors are not required to build a holding of shares in the Company.

Table 3. Remuneration of the Board of Directors for the 2025 financial year

DKK thousand	Base Fee	Committees	Supplementary remuneration	Total
Henrik Brandt, Chair	1,320	440	-	1,760
Dianne Neal Blixt	440	385	-	825
Anders C. Obel	440	220	-	660
Jörg Biebernck	440	165	-	605
Marlene Forsell	440	330	-	770
Henrik Amsinck ^{1 3}	121	-	30	151
Ricardo Oberlander ²	319	156	-	475
Thomas Thomsen	440	-	-	440
Mark Kristen Draper ⁴	367	-	-	367
Karsten Dam Larsen	440	-	-	440
Hanne Malling ⁴	73	-	-	73
Total	4,840	1,696	30	6,566

1. Shareholder-elected Board member, not re-elected in 2025.
2. Shareholder-elected Board member elected in 2025.
3. Received supplementary remuneration for performance of ad hoc task, as noted in section 2.2.
4. Hanne Malling has replaced employee elected member Mark Kristen Draper for the remainder of his 4 year term.

Table 2. Fee structure for Board of Directors and Committee Members

DKK thousand	2024-2025		2021-2023		2020	
	Annual Fee	Base Fee Multiple	Annual Fee	Base Fee Multiple	Annual Fee	Base Fee Multiple
Chair of the Board of Directors	1,320	3x	1,320	3x	1,200	3x
Vice-chair of the Board of Directors ¹	880	2x	880	2x	800	2x
Ordinary member (base fee)	440	-	440	-	400	-
Chair of						
Audit Committee	330	0.75x	330	0.75x	300	0.75x
Remuneration Committee	220	0.50x	110	0.25x	100	0.25x
Nomination Committee	220	0.50x	110	0.25x	100	0.25x
Ordinary member of						
Audit Committee	165	0.375x	165	0.375x	150	0.375x
Remuneration Committee	110	0.25x	55	0.125x	50	0.125x
Nomination Committee	110	0.25x	55	0.125x	50	0.125x

1. The Board of Directors did not have a Vice-chair in 2024 and 2025.

Table 4. Shares held by the Board of Directors

	End of 2024	Changes during 2025		End of 2025	
	Number of Shares	Additions	Disposals	Number of Shares	Market Value (DKK '000) ²
Henrik Brandt	112,670	-	-	112,670	10,760
Dianne Neal Blixt	1,700	-	-	1,700	162
Anders C. Obel	20,270	-	-	20,270	1,936
Jörg Biebernck	-	-	-	-	-
Marlene Forsell	3,250	-	-	3,250	310
Henrik Amsinck	-	-	-	-	-
Ricardo Oberlander	-	1,520	-	1,520	145
Mark Kristen Draper ¹	200	-	-	200	19
Thomas Thomsen	6,000	4,000	-	10,000	955
Karsten Dam Larsen	1,600	5,000	-	6,600	630
Hanne Malling	250	-	-	250	25
Total	145,940	10,520	-	156,460	14,942

1. Hanne Malling has replaced employee elected member Mark Kristen Draper for the remainder of his 4 year term.
2. Based on closing share price of DKK 95.5 on 30 December 2025.



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REMUNERATION OF THE EXECUTIVE MANAGEMENT

3.1 Remuneration policy overview

Table 5. Remuneration policy overview

Remuneration Component	Remuneration Policy	2025 Remuneration
Fixed Salary	Salaries are set at a level to attract and retain individuals who have the necessary skills, experience, attributes and qualifications to successfully lead the business. The role's scope, the individual's experience and expertise, the Company's operating conditions, Company performance, external economic indicators and relevant market benchmark assessments are used to determine the fixed salary.	The base salary of the registered executives increased by 0%, effective as of 1 January 2025, which is lower than the budget allocated to other employees of Scandinavian Tobacco Group A/S.
Pension	As is common in Denmark for executive positions, the base salary is usually inclusive of company-provided pension allowance, but alternatively the executive may be enrolled in a company pension scheme or receive a separate allowance.	The base salary is inclusive of company provided pension allowance.
Benefits	Benefits include but are not limited to paid annual leave, company car or transportation allowance, telephony, internet access, health and related insurances, training and education etc. as approved by the Board of Directors. Where relevant, members of the Executive Management may also receive relocation-related benefits, including relocation costs and allowances for housing or school tuition fees. The value of the employment benefits represents only a small part of the total remuneration of the individual members of the Executive Management, typically no more than 5% of their annual base salary.	The registered executives received benefits in line with the Remuneration Policy.
Short-term Incentive Programme (STIP)	The amount of bonus payable is based on performance against Key Performance Indicators (KPIs) which are targeted against the financial year in question. These KPIs are defined annually by the Board of Directors on the recommendation of the Remuneration Committee and can be both financial and non-financial in nature. In determining the performance criteria, the Board of Directors takes into consideration the strategic and operational business plans, in addition to the longer-term sustainability of the Company. The Remuneration Committee will evaluate not only performance against each KPI, but also how the KPIs have been achieved, referencing the Company's values, leadership principles and ethical standard. Bonus payments can be up to 100% of annual base salary.	The Board assessed that the outcome of the group performance in 2025 which is 41.7% of target pay-out. See section 3.4 below for further description of the STIP 2025.
Long-term Incentive Programme (LTIP)	The long-term incentive scheme links the reward of Executive Management with the performance of the organization on a long-term horizon, taking into consideration the Company's long-term sustainability. It is also designed to strengthen the executives' retention through the issue of rolling annual grants which are performance based. Shares in the Company are awarded, which aims to ensure a high degree of alignment of the Executive Managements' interests with those of shareholders. The value of PSUs granted to an executive at the time of the grant will not exceed 150% of the annual base salary applicable, even assuming a maximum level of performance under the scheme.	Based on 2025 performance, the final performance of the LTIP 2023 - 2025 is 15% of target allocation, cf. table 10 below, and the performance of the LTIP 2024 - 2026 and the LTIP 2025 - 2027 are tracking below targets. See section 3.5 below for further description of the LTIP design as well as LTIP 2022, LTIP 2023 and LTIP 2024.



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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.1 Remuneration policy overview – continued

Table 5. Remuneration policy overview – continued

Remuneration Component	Remuneration Policy	2025 Remuneration
Shareholding requirements	Members of the Executive Management are required to build a holding of shares in the Company, subject to terms determined by the Board of Directors. The shareholding levels are noted below: • CEO: 100% of annual base salary • Other members of the Executive Management: 50% of annual base salary The holding is accumulated over a period and, once the level has been reached, it must be maintained until the executive leaves the Company. PSUs do not count towards the holding. During the accumulation period, shares may be sold to cover tax and any other statutory liabilities associated with their acquisition, and for other circumstances as may be determined by the Remuneration Committee.	Executive Management met the shareholding requirements, cf. table 13 below.
Termination of employment and severance payment	Employment agreements with members of the Executive Management are normally ongoing (i.e. without a fixed term) and the notice period on the part of the Company for the members of Executive Management can be up to 24 months. The Board of Directors will have regard to relevant corporate governance practice and may incorporate shorter notice periods for new appointments. The notice period on the part of the individual members of the Executive Management shall be at least six month.	No severance payments were made to registered executives.
Clawback and Malus	In the event incentive remuneration has been provided to a member of the Executive Management based on data or accounts that were materially and manifestly misstated or due to material misconduct, a mis-calculation or other error, the Company shall have the right to reclaim/ claw-back remuneration that was awarded based partly or wholly on such information. The right to reclaim/claw-back remuneration shall also apply in case of bad faith on the part of a member of the Executive Management in respect of other matters which implied payment of a too large variable remuneration. In addition to the clawing back of remuneration, the Board of Directors also has the right to make proportionate adjustments by offsetting other remuneration including salary, bonuses yet to be paid and unvested PSU grants. The recoupment or offsetting of remuneration that is paid and/or vested is subject to the application of any applicable legislation and contractual terms that are in place governing awards made prior to the adoption of this Remuneration Policy.	There was no legal or factual basis on which to exercise claw-back from current or former registered executives.
Directors' and officers' liability insurance and indemnification	Members of the Executive Management are covered by customary D&O liability insurances and indemnified against claims for damages as considered appropriate from time to time.	STG upheld and paid the costs of D&O liability insurance that also cover Executive Management.



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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.2 Executive remuneration in 2025

In 2025, the Executive Management consisted of the Chief Executive Officer (CEO), Niels Frederiksen, and the Chief Financial Officer (CFO), Marianne Rørslev Bock. There were no changes in the composition of the Executive Management during the year.

3.3 Annual base salary and benefits

The annual base salaries of the CEO and the CFO were reviewed during the year in accordance with the principles and process contained in the Remuneration Policy. The effective date of the normal annual review cycle is 1st January to align with the performance cycle of the incentive programmes and the financial year of the Company.

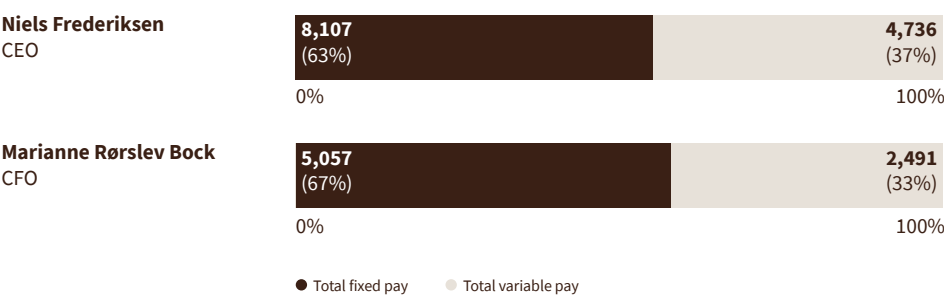
The CEO’s annual base salary increased by 0% (3.5% in 2024) and the CFO’s annual base salary increased by 0% (3.5% in 2024), lower than the salary increase budget awarded to the Company’s employees in Denmark.

Table 6. Remuneration of the Exceutive Management for the 2025 financial year

DKK thousand	Base Salary	Benefits	Short-term Incentive Programme ¹	Long-term Incentive Programme ²	Total Remuneration	Exceptional Compensation	Total Remuneration, including Exceptional Compensation
Niels Frederiksen, CEO	7,867	240	1,148	3,588	12,843	-	12,843
Marianne Rørslev Bock, CFO	4,877	180	712	1,779	7,548	-	7,548
Total	12,744	420	1,860	5,367	20,391	-	20,391

1. Bonus earned (base salary x target % x actual achievement %) for 2025 to be paid in Q2, 2026.
2. Number of the PSUs granted under the 2025-2027 LTIP cycle is calculated using the volume weighted 10 day average price (DKK 104.4) following the Annual Report 2024 release. The fair value of the PSUs granted is calculated using the market closing price (DKK 95.2) on grant date 18 December 2025.

Table 7. Proportion of fixed and variable pay, excluding exceptional compensation
DKK thousand





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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.4 Short-term Incentive Programme

For 2025, the Short-term Incentive Programme’s (STIP) five key performance indicators (KPIs) were (1) Group Reported Net Sales, (2) Group EBITDA Margin before special items, (3) Group Free Cash Flow before acquisitions and special items, (4) Engagement Score

and (5) OneProcess Implementation. These KPIs were selected by the Board of Directors for their relevance to annual profit and cash management performance, as well as to the achievement of the Company’s strategy of business growth. The maximum bonus payment that the CEO would have earned under the STIP was

70% of their annual base salary and the same would be 60% for the CFO. An on-target level of performance would have awarded both the CEO and the CFO with a bonus payment of 35% of annual base salary. The Board of Directors determined that the performance of the KPIs had been achieved as summarised in Table 8.

Accordingly, the CEO and CFO both achieved a bonus award of 41.7% of their respective target % of STIP, which is well within the maximum of the Remuneration Policy.

Table 8. Performance of the Short-term Incentive Programme 2025

Key Performance Indicators	Weight	Performance Targets		Performance Outcome	
		Threshold Performance	Maximum Performance	Actual ¹	% Achievement of Maximum Performance ³
Group Reported Net Sales	25%	DKK 9,200m	DKK 9,800m	DKK 9,346m	49.2%
Group EBITDA Margin before special items	25%	20.4%	23.1%	19.9%	0%
Group Free Cash Flow before acquisitions and special items	25%	DKK 1,142m	DKK 1,364m	DKK 908m	0%
Engagement Score	12.5%	69%	72+%	70.3%	50.3%
OneProcess ²	12.5%	Go-Live Timing - On time Hyper-care - Up to 4 weeks Business Disruption Impact - Low	Go-Live Timing - On time Hyper-care - On time Business Disruption Impact - Stabilization after 4-6 months	Go-Live Timing - On time Hyper-care - Up to 4 weeks Business Disruption Impact - Low	59.5%

1. Both Group EBITDA Margin before special iteams and Group Free Cash Flow before acquisitions and special items performed below the threshold. The Board of Directors adjusted the calculated results to account for extraordinary events in 2025 and to ensure that the underlying performance was properly reflected (cf. Remuneration Policy, Section 4.4).

2. Global roll out of ERP SAP S/4HANA. Hyper-care (OneProcess) is the defined post-go-live support phase during which enhanced project, business and IT support is provided to stabilise operations, resolve incidents and ensure business continuity before transition to normal support.

Table 9. Short-term Incentive Programme performance between 2020-2024

Performance Period	Performance Indicators	Performance Outcome	
		% Achievement of Maximum Performance	
2020	Organic EBITDA growth	Free cash flow (DKKm)	100%
2021	Organic EBITDA growth	Free cash flow (DKKm)	100%
2022	Organic EBITDA growth	Free cash flow (DKKm) Organic Net Sales growth	1.5%
2023	Organic EBITDA growth	Free cash flow (DKKm) Organic Net Sales growth	0%
2024	Organic EBITDA growth	Free cash flow (DKKm) Organic Net Sales growth	73.8%



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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.5 Long-term Incentive Programme

Under the Long-term Incentive Programme (LTIP), the CEO and CFO receive an annual grant of Performance Share Units (PSUs). No payment is due from the executives for the grant of a PSU. The size of their PSU grant is based on a percentage of their current annual base salary divided by the grant price (Grant Price).

The Grant Price is normally the average price of the Company’s shares calculated over the ten trading days following the publication of the Company’s annual report in the grant year. The value of PSUs granted to an executive at the time of grant will not exceed 100% of the annual base salary applicable, even assuming a maximum level of performance under the LTIP.

If the Company distributes dividends to its shareholders during the performance period, the CEO and CFO will receive additional PSUs equivalent to the dividend that corresponds to the number of PSUs granted to them. This approach further aligns the executives’ interests with that of shareholders.

The vesting of shares under the PSUs is subject to fulfilment in part, or in full of KPIs linked to the Company’s performance, which are usually measured over a performance period of three financial years. The number of shares, if any, to be allocated to each participant under the LTIP will be determined on the basis of the initial PSUs, with the addition of any granted dividend PSUs; these PSUs are adjusted by the performance in the performance period against a pre-defined KPI multiplier range (between 0.0 – 2.0). If performance is not reached at the defined threshold level, no shares will vest and no compensation in lieu of them will be provided. No additional remuneration is made if a maximum target is exceeded.

2023 - 2025 performance cycle

In 2023, members of the Executive Management and other key executives were awarded PSUs subject to the fulfilment of five KPIs, (1) Organic EBITDA Growth, (2)ROIC growth, (3) Adjusted EPS Growth, (4) CO₂e emission reduction and (5) Community pioneers, which were measured over a three-year performance period from 2023 to 2025. The Board of Directors considered these KPIs to be core success measures in supporting the Company’s value creation.

The CEO and CFO received PSU grants equal to 45% and 35% of their annual base salaries, respectively. The grants were based on salaries as at 1 May 2023.

The executives were granted additional dividend PSUs equivalent to the dividends distributed to the Company’s shareholders during the performance period.

Table 10. Performance of the Long-term Incentive Programme 2023-2025

		Performance Targets		Performance Outcome	
Key Performance Indicators	Weight	On-target Performance	Maximum Performance	Actual	% Achievement of Maximum Performance
Group EBITDA margin before spedal items	40%	25.00%	26.00%	23.10%	0.0%
ROIC growth	25%	13.00%	14.00%	-16.00%	0.0%
Adjusted EPS growth	25%	7.00%	10.00%	-10.80%	0.0%
CO ₂ e emission reduction	5%	13.80%	15.00%	18.40%	100.0%
Community pioneers	5%	N/A	N/A	N/A	50.0%

Table 11. Historic Performance under the Long-term Incentive Programme

Performance Period	Performance Indicators	Performance Outcome			
		% Achievement of Maximum Performance			
2018-2020	Organic EBITDA growth	Cash conversion			100%
2019-2021	Organic EBITDA growth	Cash conversion			100%
2020-2022	Organic EBITDA growth	Cash conversion			81%
2021-2023	Organic EBITDA growth	Cash conversion			0%
2022-2024	Organic EBITDA growth	ROIC growth	Adjusted EPS growth	CO ₂ e emission reduction	Community pioneers
					7.5%



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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.5 Long-term incentive programme – continued

Following the end of the 2025 financial year, the Board of Directors determined that the performance of the KPIs had been achieved as summarized in Table 10, with historical LTIP performance provided for context in Table 11. The Board of Directors applied a performance multiplier to the executives’ PSU awards granted under the 2023 - 2025 LTIP cycle, and 15% of these will vest in April 2026 as shown in Table 12.

2025 - 2027 performance cycle

In 2025, members of the Executive Management were awarded PSUs subject to the fulfilment of three KPIs; (1) Free Cash Flow (before acquisitions & special items), (2) ROIC growth, and (3) CO₂e emission reduction, measured over a three-year performance period from 2025 to 2027. The Board of Directors considers these KPIs to be core success measures in supporting the Company’s value creation.

The performance targets which apply to the three KPIs are commercially sensitive and therefore they will be disclosed only after the performance period has ended.

The CEO and CFO received PSU grants equal to 50% and 40% of their annual base salaries, respectively, for the performance period from 2025 to 2027, as noted in Table 12.

The grants were based on the executives’ salaries as at 1st April 2025. The executives will be granted additional dividend PSUs equivalent to any dividends the Company distributes to its shareholders during the performance period.

3.6 Contractual terms

The current members of the Executive Management have employment contracts which are ongoing (i.e. without a fixed term). The employment contracts of the CEO and the CFO may be terminated by the Company with 24 months’ and 12 months’ notice, respectively. The CEO and the CFO may terminate their position with 12 months’ and 6 months’ notice, respectively, to the Company.

Within 6-12 months after a change of control or delisting of the Company, the CEO may terminate his employment and he will be entitled to 24 months of remuneration as if he had been terminated by the Company. If the Company should wish to terminate the CFO within 18 months after a change of control or delisting of the Company, the CFO is entitled to a notice of 24 months.

The employment contracts of the CEO and the CFO provide that, in the event of death during employment, the beneficiaries are entitled to six months’ base salary.





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REMUNERATION OF THE EXECUTIVE MANAGEMENT – CONTINUED

3.7 Shareholdings of the Executive Management

Members of the Executive Management are required to build a holding of shares in the Company, subject to terms determined by the Board of Directors and in accordance with the Remuneration Policy. The shareholding target levels are 100% and 50% of annual base salary for the CEO and the CFO, respectively.

Table 12. Long-term Incentive Programme Interests

	Performance period	Grant date	Vesting Date ¹	Grant Price (DKK) ²	Number of PSUs Granted	Grant Value (DKK ‘000) ³	Number of Dividend PSUs granted in 2025 ⁴	Number of Dividend PSUs granted in prior years ⁵	Total Number of PSUs Vested ⁶	Total Number of PSUs Lapsed	Market Value of Shares at Vesting (DKK ‘000) ⁷
Niels Frederiksen, CEO	2025-2027	Dec-25	Q1 2028	104.37	37,690	3,934	3,526	-	-	-	-
	2024-2026	May-24	Q1 2027	122.70	32,199	3,951	2,820	2,086	-	-	-
	2023-2025	May-23	Q1 2026	131.63	25,986	3,421	2,421	3,657	-	-	-
	2022-2024	May-22	Q1 2025	138.14	23,924	3,305	-	2,895	4,326	24,517	472
	2021-2023	Jun-21	Q1 2024	123.42	23,802	2,938	-	4,383	-	28,185	-
Marianne Rørslev Bock, CFO	2025-2027	Dec-25	Q1 2028	104.37	18,691	1,951	1,749	-	-	-	-
	2024-2026	May-24	Q1 2027	122.70	15,968	1,959	1,399	1,006	-	-	-
	2023-2025	May-23	Q1 2026	131.63	12,529	1,649	1,167	1,773	-	-	-
	2022-2024	May-22	Q1 2025	138.14	11,535	1,593	-	1,396	2,086	11,821	227
	2021-2023	Jun-21	Q1 2024	123.42	10,744	1,326	-	1,965	-	12,709	-

- 1. Any vesting of PSUs takes place following approval by the Board of Directors and generally takes place in Q1 of the financial year.
- 2. The price used to set the number of PSUs in each grant is calculated as an average price of the Company’s shares calculated over the ten trading days following the publication of the Company’s annual report in the grant year.
- 3. The face value of the PSU grant using the grant price, as described under note 2.
- 4. PSUs equivalent to dividend on PSUs granted earlier, corresponds to dividend paid to shareholders.
- 5. Dividend PSUs have been granted in respect of the current LTIP cycles every year of the performance periods.
- 6. The vested and lapsed PSUs include both PSUs and dividend PSUs that were granted during the performance period.
- 7. The value of the vested shares using the closing price of a share on the vesting date, being DKK 109 for the 2022-2024 cycle. The market value of the shares to vest under the 2023-2025 cycle will be reported in the 2026 Remuneration Report.

Table 13. Shares held by the Executive Management

	End of 2024	Changes during 2025			End of 2025	
	Number of Shares	Additions	Disposals	Number of Shares	Market Value (DKK ‘000) ²	Market Value (% of annual base salary) ³
Niels Frederiksen, CEO ¹	326,365	4,326	-	330,691	31,581	401%
Marianne Rørslev Bock, CFO ¹	71,372	2,086	-	73,458	7,015	144%
Total	397,737	6,412	-	404,149	38,596	-

- 1. Holding includes shares arising from the vesting of the Company’s Long-term Incentive Programme.
- 2. Based on closing share price of DKK 95.5 on 30 December 2025.
- 3. As at 31 December 2025.



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REMUNERATION COMPARISONS

The tables in this section show the percentage change in remuneration provided to members of the Board of Directors and the Executive Management, on an actual and annualised basis, in comparison to other employees in the Company which is the parent company. For contextual purposes, a range of performance metrics is provided in Table 15.

The annualisation percentage is based on a theoretical full-year remuneration value where an individual received part-year remuneration for reasons such as an appointment or a departure. Over the time periods presented, there were changes in the composition of the Board of Directors but not the Executive Management.

All remuneration values are noted in DKK ‘000. They represent the actual values paid to members of the Board of Directors and the Executive Management in each year. The average employee remuneration values are derived from the annual staff cost figures reported in the Company’s annual report.

Table 14. Board of Directors Serving in 2025 – Change in Total Fees (Base Fees and Committee Fees)

		2025	2024	2023	2022	2021
Henrik Brandt, Chair	Fees	1,760	1,760	1,540	1,402	990
	Percentage change – actual / annualised	0%/0%	14%/14%	10%/56%	42%/10%	10%/13%
Dianne Neal Blixt	Fees	825	825	715	687	605
	Percentage change – actual / annualised	0%/0%	15%/20%	4%/14%	14%/10%	10%/0%
Anders C. Obel	Fees	660	646	605	564	440
	Percentage change – actual / annualised	2%/0%	7%/15%	7%/0%	28%/28%	10%/10%
Marlene Forsell	Fees	770	770	770	770	770
	Percentage change – actual / annualised	0%/0%	0%/0%	0%/0%	0%/0%	10%/10%
Henrik Amsinck ¹	Fees	151	550	550	495	313
	Percentage change – actual / annualised	-73%/0%	0%/0%	11%/25%	58%/0%	-
Jörg Biebernick	Fees	605	447	-	-	-
	Percentage change – actual / annualised	35%/10%	-	-	-	-
Ricardo Oberlander ²	Fees	475	-	-	-	-
	Percentage change – actual / annualised	-	-	-	-	-
Thomas Thomsen	Fees	440	440	314	-	-
	Percentage change – actual / annualised	0%/0%	40%/0%	-	-	-
Mark Kristen Draper ³	Fees	367	440	314	-	-
	Percentage change – actual / annualised	-17%/0%	40%/0%	-	-	-
Karsten Dam Larsen	Fees	440	440	231	-	-
	Percentage change – actual / annualised	0%/0%	90%/0%	-	-	-
Hanne Malling ³	Fees	73	-	-	-	-
	Percentage change – actual / annualised	-	-	-	-	-
Aggregated fees for former serving Board members		-	172	986	2,435	4,125
Total fees received		6,566	6,490	6,025	6,353	7,243
Percentage change versus prior year ⁴		1%/18%	8%/2%	-5%/35%	-12%/10%	-

1. Shareholder-elected Board member, not re-elected in 2025.
2. Shareholder-elected Board member elected in 2025.
3. Hanne Malling has replaced employee elected member Mark Kristen Draper for the remainder of his 4 year term.
4. The actual percentage change reflects the change in total fees paid during the year. The annualised percentage change is based on a theoretical full-year fee level where Board members received part-year fees due to appointment or departure, thereby normalising for changes in Board composition.



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REMUNERATION COMPARISONS – CONTINUED

Table 15. Executive Management serving in 2025

		2025	2024	2023	2022	2021
Niels Frederiksen, CEO		8,107 0%/ 0%	8,119 3%/ 3%	7,864 3%/ 3%	7,606 0%/ 0%	7,595 2%/ 2%
Marianne Rørslev Bock, CFO		5,057 0%/ 0%	5,067 3%/ 3%	4,901 3%/ 3%	4,741 2%/ 2%	4,627 2%/ 2%
Total		13,164 0%/ 0%	13,186 3%/ 3%	12,765 3%/ 3%	12,347 1%/ 1%	12,222 2%/ 2%
Remuneration Percentage change – actual / annualised						
Remuneration Percentage change – actual / annualised						
Remuneration Percentage change versus prior year – actual / annualised						

Table 16. Executive Management serving in 2025

		2025	2024 ¹	2023	2022	2021 ¹
Niels Frederiksen, CEO ¹		12,843 -38%/ -38%	20,852 90%/ 90%	10,997 -2%/ -2%	11,176 -45%/ -45%	20,314 43%/ 43%
Marianne Rørslev Bock, CFO		7,548 -14%/ -14%	8,776 37%/ 37%	6,412 -1%/ -1%	6,470 -21%/ -21%	8,167 1%/ 1%
Total		20,391 -31%/ -31%	29,628 70%/ 70%	17,409 -1%/ -1%	17,646 -38%/ -38%	28,481 28%/ 28%
Remuneration Percentage change – actual / annualised						
Remuneration Percentage change – actual / annualised						
Remuneration Percentage change versus prior year – actual / annualised						

1. 2021 and 2024 remuneration values include a buy-out payment made in connection with the abolition of a contractual early retirement plan.

Table 17. Comparative Company performance and employee information

	2025	2024	2023	2022	2021
Group					
Net Sales (DKKkm)	9,036	9,202	8,731	8,762	8,233
EBIDTA MArigin before special items	19.8%	22.6%	24.1%	25.9%	27.1%
Free cash flow before acquisitions (DKKkm)	595	931	1,053	1,264	1,393
ROIC	7.9%	9.4%	11.4%	14.3%	14.5%
Parent company					
Net Sales (DKKkm)	1,475	1,693	1,285	1,227	-
EBIDTA Margin ¹	31.9%	27.0%	40.4%	45.0%	-
Average annual number of FTEs in the Company ²	406	403	417	141	122
Average remuneration per FTEs in the Company (DKK ‘000) ³	937	809	698	1,086	1,238
Average change in remuneration for FTEs of the Company	16%	16%	-36%	-12%	0%

1. In the financial year 2023, the Parent Company acquired activities from its subsidiaries Scandinavian Tobacco Assens A/S and Scandinavian Tobacco Group Denmark A/S, as part of a vertical merger, where the relevant subsidiaries ceased to exist. The values from the discontinued subsidiaries were incorporated in the Parent Company's net sales and EBIDTA for 2023 and 2022 comparison numbers were adjusted accordingly. 2021 comparison numbers have not been adjusted and as there were no net sales in the Parent Company before the merger, EBIDTA margin cannot be disclosed.

2. Excludes members of the Executive Management.

3. "Average remuneration" means "the annual staff costs minus social security costs of Scandinavian Tobacco Group A/S, excluding members of the Executive Management, as reported in the Company's income statements divided by the average annual number of FTE employees in Scandinavian Tobacco Group A/S, excluding members of the Executive Management".



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STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors has considered and adopted the Remuneration Report of the Company for 2025. The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act and is consistent with the Company’s Remuneration Policy.

The Board of Directors approves the Remuneration Report for an advisory shareholder vote at the Company’s next Annual General Meeting.

Gentofte, 4 March 2026

Henrik Brandt
Chairman of the Board of Directors

Marlene Forsell

Dianne Neal Blixt

Anders C. Obel

Hanne Malling

Jörg Biebernick

Ricardo Cesar De Almeida Oberlander

Thomas Thomsen

Karsten Dam Larsen



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INDEPENDENT AUDITOR’S STATEMENT ON REMUNERATION REPORT

To the shareholders of Scandinavian Tobacco Group A/S
According to section 139b of the Danish Companies Act, the Board of Directors is responsible for preparing a remuneration report in accordance with the Remuneration Policy adopted at the General Meeting.

Our opinion on the audit of the Consolidated Financial Statements and the Company’s Financial Statements does not include the Remuneration Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Company’s Financial Statements for 2025, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139b(3) of the Danish Companies Act are included in the Company’s Remuneration Report for 2025.

We found no reason to point out any omissions with respect to the disclosures included in the Remuneration Report for 2025.

Hellerup, 4 March 2026

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CVR No 33 77 12 31

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