Carlsberg A/S 1 J.C. Jacobsens Gade
1799 Copenhagen V
CVR.no. 61056416
LEI 5299001OOWJQYB5GYZ19
Tel +45 3327 3300
contact@carlsberg.com
www.carlsberggroup.com

Company announcement 43/2022
17 August 2022

STRONG BUSINESS PERFORMANCE

FINANCIAL STATEMENT AS AT 30 JUNE 2022

Unless otherwise stated, comments in this announcement refer to H1 performance. From 1 January, the Russian business is presented as held for sale. 2021 figures have been restated according to IFRS.

VOLUME GROWTH DRIVEN BY WESTERN EUROPE AND ASIA

Organic volume growth +8.9% (Q2: +8.7%)

- Organic volume growth in Western Europe +10.2%, Asia +13.2% and Central & Eastern Europe 0.3% (excluding Ukraine: +7%).
- Solid volume growth for premium brands: Tuborg +14%, Carlsberg +20%, 1664 Blanc -1% (excluding Ukraine: +5%), Grimbergen +11%, Somersby +2% and Brooklyn +44%.
- Alcohol-free brews -3% (excluding Ukraine: +4%).

REVENUE IMPACTED BY POSITIVE CHANNEL MIX

Organic revenue growth +20.7% (Q2: +18.7%)

- Revenue/hl +11%, primarily driven by channel mix, country mix and price increases.
- Reported revenue growth of 23.6% to DKK 35,447m due to a positive currency impact.

STRONG PROFIT AND CASH PERFORMANCE

Organic operating profit growth +31.8%

- Strong operating profit growth reflecting the on-trade recovery and strong Asia performance, partly offset by higher commodity prices and energy costs.
- Reported operating profit growth of +35.9% to DKK 6,442m and operating margin improvement of 170bp to 18.2%.
- Reported net profit of DKK -5,276m, impacted by impairment charges in Russia, Ukraine and Central & Eastern Europe recognised in March, in total amounting to DKK 10,401m.
- Adjusted net profit DKK 5,059m.
- Adjusted earnings per share (excluding treasury shares) +63.9% to DKK 35.9.
- Strong free cash flow of DKK 7,294m.

IMPROVED SHAREHOLDER VALUE

- NIBD/EBITDA 1.11x.
- ROIC improvement of 340bp to 14.9%; excluding goodwill +1030bp to 40.7%.
- The third quarterly share buy-back programme, amounting to DKK 1bn, launched today.

AMBITIOUS NEW ESG TARGETS

- Progressive ESG programme Together Towards ZERO and Beyond launched today.
- Ambitious and broader targets, including net-zero carbon emissions target and targets for sustainable agriculture and packaging.

2022 EARNINGS EXPECTATIONS

- High single-digit percentage organic operating profit growth (unchanged from announcement of 8 August).
- A translation impact of around DKK +350m, based on the spot rates at 16 August (unchanged).
- Financial expenses, excluding foreign exchange losses or gains, of around DKK 550m (previously DKK 550-600m).
- Reported effective tax rate at around 22% (previously 22-23%).

CEO Cees 't Hart says: "We're very satisfied with the strong set of results for the first half year in light of the severe challenges stemming from the war in Ukraine, rising commodity prices and energy costs, and the pandemic. Despite these challenges, the Carlsberg Group's half-year results are now well ahead of pre-pandemic levels.

"I'm impressed by our Ukrainian colleagues, who've shown incredible strength and resilience, navigating both the humanitarian crisis and the enormous business challenges since the outbreak of the war.

"Global uncertainty remains high, with the increasing input cost pressure a particular challenge for us in the coming quarters. In this environment, we'll continue to seek the right balance between mitigating the short-term challenges and investing in the long-term opportunities behind our SAIL'27 priorities to deliver on our ambitions for top- and bottom-line growth. Despite challenging market conditions, we're staying the course.

"Today we're launching our ambitious new sustainability programme, Together Towards ZERO and Beyond, taking the next steps on our ESG journey to fight climate change, improve diversity and encourage responsible consumption of our products."

Carlsberg will present the results at a conference call today at 9.30 a.m. CET (8.30 a.m. BST). Dial-in information and a slide deck are available on www.carlsberggroup.com.

Contacts

Investor Relations:
Peter Kondrup +45 2219 1221
Iben Steiness +45 2088 1232

Media: +45 4179 1216

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KEY FIGURES AND FINANCIAL RATIOS

Key figures and financial ratios are presented for continuing activities unless otherwise stated. 2021 figures have been restated accordingly.

DKK million		H1 2022	H1 2021	2021
Volumes (million hl)				
Beer		52.6	49.4	98.8
Other beverages		11.6	9.8	20.4
Income statement				
Revenue		35,447	28,672	60,097
Gross profit		16,401	13,747	28,569
EBITDA		8,570	6,698	14,367
Operating profit before special items		6,442	4,741	10,129
Special items, net		-865	-174	703
Financial items, net		-508	-262	-385
Profit before tax		5,069	4,305	10,447
Income tax		-1,115	-1,106	-2,427
Profit for the period, continuing operations		3,954	3,199	8,020
Profit for the period, Russian operations held for sale		-8,618	314	-11
Profit for the period		-4,664	3,513	8,009
Attributable to:				
Non-controlling interests		612	486	1,163
Shareholders in Carlsberg A/S (net profit)		-5,276	3,027	6,846
Shareholders in Carlsberg A/S, adjusted[3]		5,059	3,168	6,943
Statement of financial position				
Total assets[1]		128,265	126,055	126,383
Invested capital, continuing operations		60,979	63,021	63,978
Invested capital excl. goodwill, continuing operations		21,579	23,367	24,086
Net interest-bearing debt (NIBD)[2]		18,090	20,803	19,162
Equity, shareholders in Carlsberg A/S		33,412	40,789	43,941
Statement of cash flows				
Cash flow from operating activities		8,380	5,739	12,278
Cash flow from investing activities		-1,086	-1,263	-4,067
Free cash flow		7,294	4,476	8,211
Financial ratios, continuing operations				
Gross margin	%	46.3	47.9	47.5
EBITDA margin	%	24.2	23.4	23.9
Operating margin	%	18.2	16.5	16.9
Effective tax rate	%	22.0	25.7	23.2
Return on invested capital (ROIC)	%	14.9	11.5	12.5
ROIC excl. goodwill	%	40.7	30.4	33.6
Equity ratio	%	26.1	32.4	34.8
NIBD/EBITDA	x	1.11	1.62	1.37
Interest cover	x	12.68	18.11	26.27
Stock market ratios				
Earnings per share (EPS)	DKK	-37.4	20.9	47.6
Earnings per share, adjusted (EPS-A)[3]	DKK	35.9	21.9	48.3
Share price (B shares)	DKK	904.0	1,169.0	1,129.5
Weighted average number of shares, excl. treasury shares	1,000	140,954	144,699	143,848

[1] Total assets including assets in disposal group held for sale. [2] Figures for 2021 have not been restated.
[3] Adjusted for special items after tax and impairment in Russia.

SOLID DELIVERY ON STRATEGIC PRIORITIES

It has been a turbulent first half year, impacted by the war in Ukraine, increasing inflation and the continuing ramifications of COVID-19, particularly in Asia. Nevertheless, our business delivered strongly against our strategic priorities, and results are now well ahead of pre-pandemic H1 2019 levels (excluding Russia): volume +11%, revenue +21% and operating profit +42%. Adjusted EPS was also well ahead of 2019 at 89%. Several markets contributed to this improvement, with China being a particularly strong driver.

In February, we launched our new strategy, SAIL'27, which builds on the very strong foundations and successes of SAIL'22, while invigorating and expanding our priorities and raising the bar. SAIL'27 focuses on five strategic levers: portfolio, geographies, execution, culture and funding the journey. 2022 is a year of transition, and 2023 will therefore be the first year of SAIL'27.

Despite the significant geopolitical and economic changes that have taken place since February, and their profound impact on our business, the longer-term assumptions underlying SAIL'27 and our overall ambitions and strategic priorities remain intact.

PORTFOLIO

PREMIUM PORTFOLIO

An important portfolio priority in SAIL'27 is to drive value growth by expanding more vigorously into the premium segment, pursuing growth for our super-premium brands, premium international lager brands and premium local brands.

Super-premium brands

1664 Blanc posted very strong growth in markets such as Denmark, Finland, Sweden, Malaysia, Singapore and Vietnam, while volumes declined in Ukraine, France, South Korea and Norway, resulting in total volume development of -1%. Excluding Ukraine, 1664 Blanc volumes grew by 5%.

Grimbergen volumes grew by 11%, driven by very good growth in France, which is by far the brand's largest market. We also saw good growth in markets such as Poland, Italy, Lithuania and Switzerland, while volumes were down in Ukraine and Denmark.

Following the acquisition of the brand in 2020, Brooklyn is progressing very well, and volumes were up by 44%, supported by strong growth in most markets in Western Europe.

Premium international lagers

Tuborg volumes grew by 14%, driven particularly by Asia, notably India and China, and Central & Eastern Europe.

Carlsberg volumes were up by 20%. The growth was broadly based across markets and regions with particularly strong growth in markets such as India, Malaysia, Singapore, France, the UK, Germany, Switzerland and export & licence markets.

Local premium brands

Our local premium brands enjoy strong market positions, especially in Western Europe. Brands such as Valaisanne in Switzerland, Jacobsen in Denmark, and Eriksberg and Nya Carnegie in Sweden delivered good growth. In Asia, we saw particularly strong growth for Wusu in China.

MAINSTREAM CORE BEER
Our local power brands provide scale and a solid backbone for our local businesses. We achieved particularly strong growth across our Asian markets, including for brands such as Beerlao in Laos, Chongqing in China and Huda in Vietnam. In Western Europe, we saw good growth for brands such as Feldschlösschen in Switzerland and Falcon in Sweden, and in Central & Eastern Europe for brands such as Pan in Croatia, Pirinsko in Bulgaria and Poretti in Italy.

ALCOHOL-FREE BREWS
As penetration for alcohol-free brews is highest in the off-trade, the category growth was impacted by the declining off-trade channel in Western Europe and Central & Eastern Europe, following the reopening of the on-trade. Nevertheless, volumes in Western Europe were up by 7%, driven by both local brands and alcohol-free line extensions of our international premium brands. In Central & Eastern Europe, volumes were impacted by significant volume decline in Ukraine, which is one of our largest markets for alcohol-free brews. Total alcohol-free brew volumes declined by 3%. Excluding Ukraine, volumes grew by 4%.

Compared with pre-pandemic levels in H1 2019, the growth of our alcohol-free brew volume was very strong at 22% (excluding Ukraine: +36%).

BEYOND BEER
Somersby delivered very good growth across our markets in the south-eastern part of Central & Eastern Europe and in the Nordics, the UK and Kazakhstan. Although starting from a low base, as the brand was only launched there in 2021, Somersby tripled volumes in China and also saw strong growth in Laos. Total volumes were up by 2% organically, as the broadly based growth was offset by a decline in large markets such as Ukraine and Poland. Excluding Ukraine, Somersby volumes grew by 6%.

CHANNELS
ON-TRADE
We saw a strong rebound of the on-trade, particularly in Western Europe. On the back of two years of COVID-related restrictions, consumers were eager to socialise, and most markets were subject to few or no COVID-19-related restrictions in the second quarter.

Total on-trade volumes for the Group were up by 27% compared with H1 2021, bringing on-trade volumes on a par with 2019.

OFF-TRADE
Strong off-trade volume growth in Asia was partly offset by lower off-trade volumes in Western Europe and Central & Eastern Europe due to the rebound of the on-trade. Total off-trade volumes grew by 2%. Compared with H1 2019, volumes were up by around 15%.

E-COMMERCE
Carl's Shop, our online B2B platform, is now available in 11 markets across the three regions. Volumes on the platform grew by 84%. We further expanded the application of data-driven product recommendations, supporting the premiumisation trend. Revenue/hl on Carl's Shop grew by 7%, with premium offerings indexing 105 compared with offline sales.

China, our most advanced online retail market, recorded strong double-digit volume growth, with good results for both our international premium portfolio and Wusu. At almost 12%, our online market share remains significantly above our national market share. Online retail sales in Western Europe declined slightly, impacted by fewer COVID-19 restrictions and the rebound of the on-trade.

TOGETHER TOWARDS ZERO AND BEYOND

Today, we launch our new Environmental, Social and Governance (ESG) programme, Together Towards ZERO and Beyond (TTZAB). TTZAB is an enhancement of our previous ESG programme, Together Towards ZERO, which focused on carbon, water, responsible drinking, and health and safety. Since 2015, we have delivered strong progress, including 40% reduction in carbon emissions and 21% reduction in water use per hectolitre of beer.

With TTZAB, we continue to focus on our most material topics by evolving our targets and expanding our programme with agriculture and packaging as new focus areas. We are also bolstering initiatives to source responsibly, promote diversity, equity, and inclusion, protect human rights, ensure compliance through the Compass programme and engage communities responsibly.

Some of the most notable ambitions pertain to responsible drinking, carbon and water, where we now target a 35% global portfolio share for low-alcohol and alcohol-free brews by 2030, net zero carbon emissions across the value chain by 2040, and replenishment of 100% of the water consumed at breweries in areas of high water risk by 2030.

In addition, we have set ambitious targets within our two new focus areas:

ZERO Farming Footprint

- 30% of raw materials to come from regenerative agricultural practices and be sustainably sourced by 2030, moving to 100% by 2040.

ZERO Packaging Waste

- 100% recyclable, reusable, or renewable packaging by 2030.
- 90% collection and recycling rate for bottles and cans by 2030.
- 50% reduction of virgin fossil-based plastic by 2030.
- 50% recycled content in bottles and cans by 2030.

With our new programme, we continue to support an industry transformation towards more sustainable business practices, through a continued focus on partnerships with suppliers and partners, moving Towards ZERO and Beyond.

DELIVERY AGAINST SAIL'22 FINANCIAL PRIORITIES

The Group delivered well against the long-term financial metrics of SAIL'22.

Organic growth in operating profit: The Group achieved 31.8% organic growth in operating profit, and the operating margin improved by 170bp to 18.2%.

ROIC improvement: ROIC improved strongly by 340bp to 14.9%, driven by the higher operating profit and lower effective tax rate, as well as the write-downs and impairments in Central & Eastern Europe and the Ukrainian business.

Optimal capital allocation: Net interest-bearing debt/EBITDA (continuing business) was 1.11x (year-end 2021: 1.37x), well below our target of below 2x. This was the result of the strong free cash flow, and despite the share buy-back programme and the dividend payout in March 2022.

2022 EARNINGS EXPECTATIONS

On 8 August we upgraded our 2022 earnings outlook. The upgrade was based on the strong business performance year to date, including in July, and the achievement of a consistent level of operations in Ukraine. Now that a consistent level of operations has been resumed in Ukraine, the full-year operating result in Ukraine is included in the operating profit. The full-year outlook is:

- High single-digit percentage organic operating profit growth (unchanged from announcement of 8 August)

Compared with the very strong earnings growth in H1, we are expecting a weaker year-on-year earnings development in H2. The main reasons for this are:

- Rising commodity prices and energy costs and last year's hedging gradually rolling off will result in an increase in cost of sales/hl year on year and compared with H1. Although we will further increase prices, there will be a timing difference between increases in cost of sales and price increases.
- In H2, we will further accelerate investments in our strategic priorities, including marketing investments across the Group, and sales investments, particularly in Vietnam and China.
- H2 will have tougher comparables due to the very strong Q3 2021, and revenue/hl will not benefit from the on-trade recovery as in H1.

The outlook for the year remains uncertain, as the development of the war in Ukraine; continued uncertainty regarding input costs; possible supply chain disruptions; the COVID-19 pandemic, including possible government actions, particularly in China; consumer sentiment; and macroeconomic developments may all have significant implications for business performance during the remainder of the year.

Based on the spot rates at 16 August, we assume a translation impact on operating profit of around DKK +350m for 2022 (unchanged).

Other relevant assumptions are:

- Financial expenses, excluding foreign exchange losses or gains, of around DKK 550m (previously DKK 550-600m).
- Reported effective tax rate of around 22% (previously 22-23%).
- Capital expenditure (CapEx) at constant currencies at DKK 4.5bn.

Forward-looking statements

Forward-looking statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from those expressed in the forward-looking statements. Accordingly, forward-looking statements should not be relied on as a prediction of actual results. Please see page 19 for the full forward-looking statements disclaimer.

CHANGES TO THE EXECUTIVE COMMITTEE

On 1 July, Leo Evers, EVP Asia left the company. He will be succeeded by João Abecasis as of 1 September.

CFO Heine Dalsgaard has resigned from Carlsberg to take up the position of CFO in a private equity-backed company in a different industry. He will continue at Carlsberg until no later than 31 December. A succession process is under way, and we will announce Heine's successor in due course.

GROUP FINANCIAL REVIEW

		Change				Change
H1	**2021**	**Organic**	**Acq., net**	**FX**	**2022**	**Reported**
Volumes (million hl)						
Beer	49.4	7.0%	-0.6%		52.6	6.4%
Other beverages	9.8	18.0%	0.0%		11.6	18.0%
Total volume	**59.2**	**8.9%**	**-0.5%**		**64.2**	**8.4%**
DKK million						
Revenue	28,672	20.7%	-0.9%	3.8%	35,447	23.6%
Operating profit	4,741	31.8%	-0.3%	4.4%	6,442	35.9%
Operating margin (%)	16.5				18.2	170bp

Figures are presented for continuing operations only.

Beer volumes grew organically by 7.0% (Q2: +6.8%), driven by solid growth in Asia and Western Europe, while regional volumes in Central & Eastern Europe were impacted by a severe decline in Ukraine due to the war. Non-beer volumes grew organically by 18.0% (Q2: +18.6%), and total volumes by 8.9% (Q2: +8.7%).

Revenue/hl was +11% (Q2: +9%), resulting in strong organic revenue growth of +20.7% (Q2: 18.7%). The revenue/hl improvement was primarily driven by the on-trade recovery across most markets, as there were markedly fewer COVID-19-related restrictions this year. In addition, revenue/hl was supported by a positive brand mix, which also benefited from the on-trade recovery, as well as price increases.

Reported revenue grew by 23.6%. The negative net acquisition impact was due to the deconsolidation of Gorkha Brewery in Nepal, while the positive currency impact related to the Chinese, Swiss and British currencies, which more than offset the depreciation of the Laotian kip.

Gross profit increased organically by 16.9%. Cost of sales/hl increased by 14% due to higher commodity prices and energy costs. While the reported gross margin declined by 160bp to 46.3%, gross profit/hl increased organically by 7% as the higher revenue/hl more than offset the higher cost of sales/hl in absolute terms.

Our strong cost focus remains a key priority, and as a percentage of revenue, reported operating expenses declined by 250bp. Operating expenses increased organically by 11% due to higher marketing expenses, which were up by around 14% organically, as well as higher logistics expenses as a result of the on-trade recovery and higher energy prices.

Operating profit before depreciation, amortisation and impairment losses (EBITDA) grew by 22.3% organically and by 27.9% in reported terms.

The increase in income from associates was due to the deconsolidation of Gorkha Brewery in Nepal (now reported as an associate), strong performance of Super Bock in Portugal and certain one-off items in Asia.

Operating profit grew organically by 31.8%. All the regions delivered organic operating profit growth. Western Europe was the most significant contributor, supported by the on-trade recovery, and in Asia, growth was driven by strong performance, supported by the lifting of COVID-19 restrictions in the markets outside China. The reported operating profit growth of 35.9% was positively impacted by currencies, mainly the Chinese renminbi. The reported operating margin improved by 170bp to 18.2%.

Reported net profit declined to DKK -5,276m due to the write-down of the Russian business (DKK 9.6bn) and write-downs in Central & Eastern Europe and Ukraine (DKK 839m).

Adjusted net profit (adjusted for special items after tax and impairment in Russia) increased significantly by 59.7% to DKK 5,059m. Adjusted earnings per share were DKK 35.9. This was an improvement of 63.9%, driven by the higher operating profit and a lower tax rate, and supported by the share buy-back, which more than offset higher financial costs and higher non-controlling interests.

Free cash flow was DKK 7,294m (2021: DKK 4,476m). Free operating cash flow was DKK 7,000m (2021: DKK 4,191m). The increase was driven by higher EBITDA, a positive impact from working capital and lower CapEx.

Return on invested capital (12-month average) improved significantly by 340bp to 14.9%, mainly driven by the strong earnings improvement. In addition, invested capital was reduced due to a strong working capital improvement, CapEx being below depreciation, and the impairment and write-downs in Central & Eastern Europe and Ukraine. ROIC excluding goodwill was 40.7% (H1 2021: 30.4%).

Net interest-bearing debt for the continuing business was DKK 18,090m. The reduction of approximately DKK 1.1bn compared with year-end 2021 was mainly due to the strong free cash flow and the reclassification of debt related to the Russian business, which more than offset the significant cash returns to shareholders in the form of the share buy-back programme (DKK 2.0bn in H1) and the total dividend payout (DKK 4.1bn). For the continuing business, net interest-bearing debt/EBITDA was 1.11x (1.37x at year-end 2021).

REGIONAL PERFORMANCE

WESTERN EUROPE

		Change				Change
H1	2021	Organic	Acq., net	FX	2022	Reported
Volumes (million hl)						
Beer	14.3	6.5%	0.0%		15.3	6.5%
Other beverages	5.7	19.4%	0.0%		6.8	19.4%
Total volume	**20.0**	**10.2%**	**0.0%**		**22.1**	**10.2%**
DKK million						
Revenue	13,832	23.3%	0.0%	1.2%	17,228	24.5%
Operating profit	1,743	46.8%	0.0%	1.5%	2,585	48.3%
Operating margin (%)	12.6				15.0	240bp

Results for Western Europe benefited from easy comparables due to last year's on-trade restrictions in Q1 and part of Q2, and poor weather at the beginning of Q2 2021. Total volumes grew organically by 10.2% (Q2: +6.8%). The growth decelerated during the second quarter as the comparables became more challenging.

Revenue/hl was strong, especially in Q1, mainly due to a positive channel and brand mix and supported by price increases. On-trade volumes increased significantly, while off-trade volumes declined. Key international premium brands such as Carlsberg, 1664 Blanc and Brooklyn delivered strong growth, supported by the on-trade recovery. For the half year, revenue/hl was up by 12%, and organic revenue growth was 23.3% (+24.5% in reported terms). Q2 organic revenue growth was less strong at 15.9% due to the aforementioned smaller year-on-year benefit from the on-trade restrictions in 2021.

Operating profit grew organically by 46.8% (+48.3% in reported terms), reflecting the strong top-line growth and cost reductions as we used our Operating Cost Management toolkit to further reduce costs, especially administrative expenses. This more than offset the substantial increase in cost of sales due to higher commodity prices and energy costs, as well as higher sales and marketing investments. Although cost of sales was up, the region benefited from commodity hedges entered into during the first half of 2021. As these hedges roll off, this benefit will be reduced in H2.

There was significant variation in developments in profitability per channel, with a considerable improvement in the on-trade because of the volume recovery, while off-trade profitability declined due to lower volumes and higher cost of sales.

MARKET COMMENTS

The Nordics delivered good volume growth on the back of strong on-trade recovery in all markets. Consequently, on-trade volumes grew, while volumes in the off-trade declined. Volumes softened at the end of Q2, due to last year's tough comparables for June. After two years of very strong performance, volumes in Norway were negatively impacted by the reopening of the borders, which led to the Swedish border trade resuming and consumers starting to travel again.

Our business in France delivered a good half year with the on-trade recovery more than offsetting the volume decline in the off-trade. Our market share developed favourably due to the continued success of Tourtel, good performance for our premium portfolio and growth of the Kronenbourg brand in the off-trade.

In Switzerland, strong growth was supported by the local premium brand Valaisanne and the local power brand, Feldschlösschen. Our alcohol-free brew portfolio also grew. The Pepsi launch is progressing well with expanded distribution and market share improvement, albeit from a very low level.

Helped by good weather, the beer market in Poland improved in Q2 after a very weak start to the year. Our volumes were flat, and our market share improved thanks to brands such as Garage, Carlsberg, Žatecký and Kasztelan.

In the UK, volumes grew strongly on the back of easy comparables and strong on-trade recovery, partly offset by a high single-digit volume decline in the off-trade.

ASIA

		Change				Change
H1	2021	Organic	Acq., net	FX	2022	Reported
Volumes (million hl)						
Beer	21.2	12.2%	-1.4%		23.4	10.8%
Other beverages	2.7	21.5%	-0.2%		3.4	21.3%
Total volume	**23.9**	**13.2%**	**-1.2%**		**26.8**	**12.0%**
DKK million						
Revenue	10,075	20.5%	-2.4%	7.7%	12,670	25.8%
Operating profit	2,601	20.1%	-0.6%	5.7%	3,257	25.2%
Operating margin (%)	25.8				25.7	-10bp

We delivered good results across our Asian markets. Total volumes grew by 13.2% (Q2: +15.9%). Growth accelerated in Q2 in the markets outside China as most governments lifted the COVID-19-related restrictions.

Revenue grew organically by 20.5% (Q2: +24.5%). Revenue/hl increased by 6% (Q2: +7%) due to a positive channel and brand mix and price increases. Reported revenue growth was +25.8% (Q2: +30.7%) due to a positive impact from all currencies with the exception of the Laotian kip, which weakened significantly. The positive currency impact more than offset the impact from the deconsolidation of Gorkha Brewery in Nepal.

Operating profit increased organically by 20.1% and by 25.2% in reported terms. Despite the strong top-line growth, the operating margin was flat due to higher cost of sales, logistics costs, and marketing and sales investments.

MARKET COMMENTS

The Chinese beer market declined by an estimated mid-single-digit percentage. Our business delivered solid performance for the half year, mainly as a result of the very well-executed Chinese New Year campaign in Q1 and good performance for our premium brands and big city strategy. As expected, our business was sequentially more impacted by local COVID-19 restrictions during Q2. Nevertheless, all key commercial growth drivers for the Chinese business progressed well, supporting a positive market share development.

After a soft start to the year, our Indian business recovered strongly and grew by almost 50%, supported by warm weather and easy comparables in the wake of severe lockdowns last year. Volumes for the half year were above the pre-COVID level in 2019. Both the Carlsberg and Tuborg brands grew strongly, and we gained market shares in our key states.

Volumes in Vietnam grew by high-teen percentages, well ahead of the market, which declined slightly. We saw good growth for our international premium brands and our local power brand Huda, which delivered very strong performance within its stronghold in central Vietnam but also beyond, as we continued to expand distribution.

In Laos, all restrictions were lifted, and we saw strong volume growth across all categories. Albeit from a low base, we saw very strong growth for Somersby and 1664 Blanc. Several price increases were implemented in light of the significant inflationary pressure fuelled by the depreciation of the Laotian kip.

In Cambodia, our volumes grew significantly, mainly due to continued strong growth of the Sting energy drink. Beer volumes also saw healthy growth, helped by easy comparables because of last year's lockdowns. The growth was mainly driven by the Angkor brand, but Carlsberg and 1664 Blanc also delivered good growth, although from a very low base.

Malaysia and Singapore recovered strongly when restrictions were lifted during Q2, as the markets had been impacted significantly by restrictions and lockdowns in 2021. The Carlsberg brand and our premium brand portfolio were key drivers.

CENTRAL & EASTERN EUROPE

		Change				Change
H1	**2021**	**Organic**	**Acq., net**	**FX**	**2022**	**Reported**
Volumes (million hl)						
Beer	13.9	-0.2%	0.0%		13.9	-0.2%
Other beverages	1.4	5.0%	0.0%		1.4	5.0%
Total volume	**15.3**	**0.3%**	**0.0%**		**15.3**	**0.3%**
DKK million						
Revenue	4,754	14.0%	0.0%	2.6%	5,542	16.6%
Operating profit	1,035	7.9%	0.0%	3.1%	1,149	11.0%
Operating margin (%)	21.8				20.7	-110bp

As of 1 January 2022, Central & Eastern Europe figures exclude the Russian business, following the decision to seek a full divestment of this business. Restated figures are presented in the appendix to the Q1 Trading Statement of 28 April 2022.

The Central & Eastern Europe business has been significantly impacted by the war in Ukraine. Total volumes grew organically by 0.3% (Q2: +1.8%), reflecting the sharp volume decline in Ukraine in March and Q2. Adjusting for the volume decline in Ukraine, volumes grew by approximately 7%.

Revenue grew organically by +14.0% (Q2: +17.4%). The strong revenue/hl growth of 14% was driven by the positive channel mix in south-eastern Europe as the on-trade recovered, a positive brand and country mix, and price increases.

Operating profit grew organically by 7.9% due to strong performance across most markets in the region supported by the on-trade recovery, which more than offset higher commodity prices and energy costs. The operating profit margin declined by 110bp.

MARKET COMMENTS

The safety, health and wellbeing of our employees always come first. Consequently, following Russia's invasion of Ukraine, in late February and early March we suspended production at our three breweries and stopped operations in the country. Our Ukrainian colleagues have shown incredible strength and resilience, delivering an outstanding effort while navigating both the humanitarian crisis and the enormous business challenges since the outbreak of the war. At their recommendation, we restarted production at two of our three breweries during April and May and, by the end of June, production had also been reinstated at the third brewery. The suspension of operations meant volumes in Ukraine declined by 27%. Revenue/hl benefited from fewer promotional activities, a positive channel mix and pricing, while cost of sales was up significantly.

Our markets in south-eastern Europe delivered a strong H1, mainly due to easy comparables, reflecting more severe lockdowns last year. Volumes in Italy, Serbia and Croatia grew double-digit, while volume growth in Greece and Bulgaria was in the mid to high single-digit percentages. Revenue/hl showed healthy improvement across markets thanks to a positive channel mix and price increases.

In our Export & License business, volumes grew by high single-digit percentages, supported by the reopening of the on-trade in some of the key markets and easy comparables for last year. We saw particularly good growth in Turkey and Ireland, partly offset by South Korea. Carlsberg, Tuborg and 1664 lager performed well.

RUSSIAN OPERATIONS HELD FOR SALE

On 28 March, we announced our decision to seek a full divestment of our Russian business, following Russia's invasion of Ukraine. Preparations for the divestment are progressing well. This is a complicated task, as the business has been an integrated part of the Carlsberg Group for many years. Consequently, more than 150 separation projects are being executed as part of the divestment of the business.

Volumes in Russia declined by 2%. Thanks to value management initiatives, including price increases, revenue increased organically by 22%. In reported terms, revenue growth was 44% to DKK 4,340m due to the appreciation of the RUB. Despite significant input cost increases, profit after tax improved to DKK 944m, also supported by a positive foreign exchange impact of around DKK 110m and reversal of a tax provision of around DKK 230m. The net result was DKK -8.6bn, due to the impairment charge of DKK 9.6bn recognised in March.

Net assets in Russia (disposal group held for sale) at 30 June 2022 amounted to DKK 9.6bn. The net asset value increased during Q2 because of the appreciation of the Russian rouble (DKK/RUB 0.13813 at 30 June compared to 0.07938 at 31 March) and the development in the operating result. The fair value estimate is not based on any external offers for the business but on a wide range of internal assumptions and is highly sensitive to changes in the assumptions.

The accounting treatment of the Russian business is set out in note 8.

CENTRAL COSTS (NOT ALLOCATED)

Central costs, net, declined to DKK -582m (2021: DKK -631m) as a result of cost reductions and phasing of certain commercial costs. Central costs are incurred for ongoing support of the Group's overall operations and strategic development. In particular, they cover the costs of running central functions, including marketing.

OTHER ACTIVITIES (NON-BEVERAGE)

The operation of the Carlsberg Research Laboratory and the non-controlling holding in the Carlsberg Byen company in Copenhagen are reported separately from the beverage activities. The non-beverage activities generated DKK +33m (2021: DKK -7m), positively impacted by disposals of properties in Carlsberg Byen.

COMMENTS ON THE FINANCIAL STATEMENTS

PARTNERSHIP IN INDIA

As disclosed in the 2021 full-year announcement, there have been several disagreements pertaining to the Shareholder's Agreement between Carlsberg and our partner CSAPL Holdings Pte Ltd (CSAPLH) in relation to Carlsberg South Asia Pte Ltd (CSAPL). CSAPL is the holding company for the businesses in India (100%) and Nepal (90%). CSAPLH, ultimately under the control of the Singapore resident CP Khetan, holds 33.3% of the shares in CSAPL.

The disagreements concerned CSAPLH's numerous allegations against Carlsberg of alleged breaches of the Shareholder's Agreement and governance matters. Carlsberg was of the view that it had not committed any breach, but rather that CSAPLH had breached the Shareholder's Agreement. At the request of CSAPLH, the disagreements were referred to arbitration in Singapore.

A liability award was issued by the arbitration tribunal on 4 May 2022. Carlsberg considers its position to be entirely vindicated by the liability award and is very satisfied with this outcome.

The tribunal did not grant CSAPLH the relief it had been seeking based on the various allegations relating to governance and breach of the Shareholder's Agreement raised in the arbitration and publicly. The tribunal found CSAPLH to be in incurable material breach of the Shareholder's Agreement. As remedy for the material breaches committed by CSAPLH, the arbitration tribunal awarded Carlsberg the right to call CSAPLH's shares in CSAPL.

Carlsberg immediately invoked its right to begin the call process, and CSAPLH subsequently exercised its put option under the Shareholder's Agreement.

As previously disclosed, in January 2022 CSAPLH was ordered to repay in full a loan that Carlsberg had called in in connection with the dispute between the parties pertaining to the business in Nepal. The loan remains outstanding. Some amounts have been collected via legal actions in Singapore.

ACCOUNTING POLICIES

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish regulations governing the presentation of interim reports by listed companies.

Except for the changes described below, the consolidated financial statements have been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2021.

As of 1 January 2022, the following amendments came into force:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020, effective for financial years beginning on or after 1 January 2022.

The above-mentioned amendments did not have any impact on the Group's accounting policies.

INCOME STATEMENT

Please see pages 8-9 for a review of operating profit.

Net special items (pre-tax) amounted to DKK -865m (2021: DKK -174m). In particular, special items were impacted by impairments of goodwill allocated to the Central & Eastern Europe region, including the goodwill related to our business in Ukraine, in total amounting to DKK 700m. In addition, impairments amounting to DKK 139m related to doubtful trade receivables, obsolete inventories and commercial assets in Ukraine. A specification of special items is included in note 4.

Financial items, net, amounted to DKK -508m against DKK -262m in 2021. Lower funding costs were offset by currencies and fair value adjustments. Excluding foreign exchange gains and losses, financial items, net, amounted to DKK -230m (2021: DKK -277m). The foreign exchange impact was mainly due to currency losses on intercompany loans related to Eastern Europe and the depreciation of the Laotian kip. A specification of net financial items is included in note 5.

Tax totalled DKK -1,115m against DKK -1,106m in 2021. The effective tax rate was 22% versus 25.7% in H1 2021.

The net result from Russian operations held for sale amounted to DKK -8,618m (2021: DKK 314m). See page 13 for a review of the Russian net result.

Non-controlling interests were DKK 612m (2021: DKK 486m). The increase was driven by higher profits in China and Malaysia.

The Carlsberg Group's share of consolidated profit (net profit) was DKK -5,276m (2021: DKK 3,027m), impacted by the impairment and write-down of goodwill in Russia and Central & Eastern Europe. Adjusted net profit (adjusted for special items after tax and impairment in Russia) was DKK 5,059m (2021: DKK 3,168m), positively impacted by the significantly higher operating profit.

STATEMENT OF FINANCIAL POSITION

ASSETS

Total assets amounted to DKK 128.3bn at 30 June 2022 (31 December 2021: DKK 126.4bn).

Intangible assets amounted to DKK 50.2bn at 30 June 2022 (31 December 2021: DKK 68.5bn). The decrease of DKK 18bn was mainly due to the impairment of DKK 10bn related to the Russian operations and the transfer of the remaining carrying amount of intangible assets in Russia of DKK 8bn to assets in disposal group held for sale.

Property, plant and equipment totalled DKK 23.7bn (31 December 2021: DKK 26.6bn). The decrease was mainly due to the reclassification of property, plant and equipment in Russia to assets in disposal group held for sale.

Current assets were impacted by seasonality, partly offset by the transfer of the Russian operations to assets in disposal group held for sale. Inventories and trade receivables amounted to DKK 13.1bn, an increase of DKK 2.0bn from 31 December 2021. Cash and cash equivalents amounted to DKK 13.3bn (31 December 2021: DKK 8.3bn). The increase of DKK 5.0bn was driven by the free cash flow of DKK 7.3bn and the EUR 500m term loan obtained in March, partly offset by the dividend payout to shareholders and share buy-back of DKK 5.4bn.

Assets in disposal group held for sale (DKK 16.5bn) related to the net assets in the Russian business.

EQUITY AND LIABILITIES

Total equity amounted to DKK 37.7bn at 30 June 2022 (31 December 2021: DKK 48.8bn), DKK 33.4bn of which was attributed to shareholders in Carlsberg A/S and DKK 4.3bn to non-controlling interests.

The net change in equity of DKK -11.1bn is mainly explained by the profit for the period of DKK -4.7bn, total dividends paid of DKK -4.1bn and share buy-back of DKK -2.0bn.

Total liabilities increased to DKK 90.6bn against DKK 77.6bn at 31 December 2021, primarily due to seasonality and higher current borrowings.

Long- and short-term borrowings amounted to DKK 32.7bn (31 December 2021: DKK 28.9bn): long-term borrowings were DKK 22.7bn (31 December 2021: DKK 22.8bn) and short-term borrowings were DKK 10.0bn (31 December 2021: DKK 6.2bn). The increase in short-term borrowings was impacted by the EUR 500m term loan obtained in March.

Tax liabilities, retirement benefit obligations etc. were DKK 9.7bn (31 December 2021: DKK 11.6bn). The decrease was mainly due to reclassifications to liabilities in disposal group held for sale, lower pension liabilities and lower deferred tax.

Current liabilities excluding short-term borrowings increased to DKK 41.2bn (31 December 2021: DKK 37.1bn), impacted by normal seasonality. The most significant increase was trade payables, which rose by DKK 3.7bn compared with 31 December 2021.

Liabilities in disposal group held for sale totalled DKK 6.9bn and related to the Russian business.

CASH FLOW

Free cash flow amounted to DKK 7,294m versus DKK 4,476m in 2021. The main contributors to the higher free cash flow were higher EBITDA and a higher contribution from the change in working capital.

Net cash flow amounted to DKK 5,561m (2021: DKK 259m). The significant increase from 2021 was mainly due to the stronger free cash flow and the EUR 500m term loan obtained in March, partly offset by a higher level of share buy-back in H1 2022 (DKK 1,967m) compared with H1 2021 (DKK 1,263m).

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities amounted to DKK 8,380m against DKK 5,739m in 2021.

EBITDA was DKK 8,570m (2021: DKK 6,698m).

The change in total working capital was DKK +2,085m (2021: DKK +595m). The change in trade working capital was DKK +2,707m (2021: DKK +307m), impacted by the higher activity level and certain reclassifications from other working capital to trade working capital. Average trade working capital to revenue (MAT) was -20.2%. The change in other working capital was DKK -622m (2021: DKK +288m), partly impacted by the aforementioned reclassification, higher deposits and VAT payable due to a higher activity level.

Restructuring costs paid amounted to DKK -97m (2021: DKK -210m). Net interest etc. paid amounted to DKK -666m (2021: DKK -293m). The increase was due to the settlement of financial instruments. Corporation tax paid was DKK -1,080m (2021: DKK -945m), impacted by higher earnings.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was DKK -1,086m against DKK -1,263m in 2021.

Operational investments totalled DKK -1,380m (2021: DKK -1,548m).

Total financial investments amounted to DKK +294m (2021: DKK +286m), mainly impacted by dividends received from associates of DKK 272m (2021: DKK 232m).

Cash flow from other activities amounted to DKK 0m (2021: DKK -1m).

FINANCING

At 30 June 2022, gross financial debt amounted to DKK 32.7bn and net interest-bearing debt to DKK 18.1bn. The difference of DKK 14.6bn mainly comprised cash and cash equivalents of DKK 13.3bn.

Net interest-bearing debt/EBITDA was 1.11x (1.37x at year-end 2021).

Of the gross financial debt, 69% (DKK 22.7bn) was long term, i.e. with maturity of more than one year from 30 June 2022. At the end of June 2022, the duration was 4.6 years.

SHARE BUY-BACK

On 28 April, the Group launched the second quarterly share buy-back programme. This was concluded on 12 August, when the Company had bought a total of 1,104,817 shares at a total value of DKK 1bn.

Based on its continued strong financial position, the Group will today initiate the third quarterly buy-back programme, with the intention of buying back Carlsberg B shares amounting to DKK 1bn up until 21 October.

The share buy-back programme will be executed in accordance with Article 5 of Regulation No 596/2014 of the European Parliament and Council of 16 April 2014 (MAR) and the Commission Delegated Regulation (EU) 2016/1052, also referred to as the Safe Harbour Regulation. Carlsberg is entitled to suspend or terminate the programme at any time. Any such decision will be disclosed to the public in a Company announcement.

The purpose of the programme is primarily to reduce the Company's share capital and, in addition, meet obligations relating to the Group's share-based incentive programmes. At the Annual General Meeting in 2023, the Supervisory Board intends to propose that shares not used for hedging of the incentive programmes be cancelled.

The Carlsberg Foundation will participate pro rata based on the shares purchased in the programme. The Foundation will transfer shares on a weekly basis at a price equal to the volume-weighted average weekly share price of B shares repurchased by Carlsberg under the share buy-back programme. The price shall not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase.

The Carlsberg Group has appointed Nordea Danmark, filial af Nordea Bank Abp, Finland ("Nordea"), as lead manager to execute the programme independently and without influence from Carlsberg, as required by the Safe Harbour Regulation. Under the agreement, Nordea will repurchase B shares during the trading period, which runs from 17 August 2022 to 21 October 2022. The maximum number of shares that may be repurchased on a single business day is 25% of the average daily trading volume of Carlsberg B shares over the 20 trading days prior to the date of purchase at the trading venue on which the purchase is carried out. A maximum of 11 million Carlsberg B shares can be bought during the trading period. The Group will disclose the transactions under the share buy-back programme at least once every seven trading days.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for the remainder of 2022:

28 September	Capital Markets Day
27 October	Q3 Trading Statement

FORWARD-LOOKING STATEMENTS

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Group's future financial and operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of materials used by the Group, cost of energy, production- and distribution-related issues, IT failures, market-driven price reductions, litigation, environmental issues and other unforeseen factors. The nature of the Group's business means that risk factors and uncertainties may arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have discussed and approved the interim report of the Carlsberg Group for the period 1 January – 30 June 2022.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Carlsberg Group's assets, liabilities and financial position at 30 June 2022, and of the results of the Carlsberg Group's operations and cash flow for the period 1 January – 30 June 2022. Further, in our opinion the Management's review (pages 1-19) includes a fair review of the development in the Carlsberg Group's operations and financial matters, the result for the period, and the financial position as a whole, as well as describing the most significant risks and uncertainties affecting the Group.

Besides what has been disclosed in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated financial statements for 2021.

Copenhagen, 17 August 2022

Executive Board of Carlsberg A/S

Cees 't Hart CEO	Heine Dalsgaard CFO

Supervisory Board of Carlsberg A/S

Henrik Poulsen Chair	Majken Schultz Deputy Chair	Hans Andersen
Mikael Aro	Carl Bache	Magdi Batato
Lilian Fossum Biner	Richard Burrows	Eva Vilstrup Decker
Punita Lal	Erik Lund	Olayide Oladokun
Søren-Peter Fuchs Olesen	Tenna Skov Thorsted	

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INCOME STATEMENT

DKK million	H1 2022	H1 2021	2021
Revenue	35,447	28,672	60,097
Cost of sales	-19,046	-14,925	-31,528
Gross profit	**16,401**	**13,747**	**28,569**
Sales and distribution expenses	-8,419	-7,190	-14,872
Administrative expenses	-2,055	-1,991	-3,979
Other operating activities, net	38	37	75
Share of profit after tax of associates and joint ventures	477	138	336
Operating profit before special items	**6,442**	**4,741**	**10,129**
Special items, net	-865	-174	703
Financial income	118	59	571
Financial expenses	-626	-321	-956
Profit before tax	**5,069**	**4,305**	**10,447**
Income tax	-1,115	-1,106	-2,427
Profit from continuing operations	**3,954**	**3,199**	**8,020**
Net result from Russian operations held for sale	-8,618	314	-11
Profit for the period	**-4,664**	**3,513**	**8,009**
Attributable to:			
Non-controlling interests	612	486	1,163
Shareholders in Carlsberg A/S (net profit)	-5,276	3,027	6,846
DKK			
Earnings per share of DKK 20	**-37.4**	**20.9**	**47.6**
Continuing operations	23.7	18.7	47.7
Russian operations held for sale	-61.1	2.2	-0.1
Diluted earnings per share of DKK 20	**-37.4**	**20.9**	**47.4**
Continuing operations	23.7	18.7	47.5
Russian operations held for sale	-61.1	2.2	-0.1

[1] Comparative figures for H1 and FY 2021 have been restated. Compared with the restated 2021 figures published on 28 April 2022, profit from continuing operations and net result from Russian operations held for sale 2021 have been adjusted by DKK 12m and DKK 99m respectively.

STATEMENT OF COMPREHENSIVE INCOME

DKK million	H1 2022	H1 2021	2021
Consolidated profit	**-4,664**	**3,513**	**8,009**
Other comprehensive income			
Retirement benefit obligations	191	321	578
Share of other comprehensive income in associates and joint ventures	2	2	10
Income tax	-2	-	20
Items that will not be reclassified to the income statement	**191**	**323**	**608**
Foreign exchange adjustments of foreign entities	627	1,574	3,307
Fair value adjustments of hedging instruments	-1,314	-35	-323
Income tax	138	7	83
Items that will be reclassified to the income statement	**-549**	**1,546**	**3,067**
Other comprehensive income	**-358**	**1,869**	**3,675**
Total comprehensive income	**-5,022**	**5,382**	**11,684**
Attributable to:			
Non-controlling interests	218	685	1,246
Shareholders in Carlsberg A/S	-5,240	4,697	10,438
Total comprehensive income for the period arises from:			
Continuing operations	4,035	4,109	10,157
Russian operations held for sale	-9,057	1,273	1,527
Total comprehensive income	**-5,022**	**5,382**	**11,684**

STATEMENT OF FINANCIAL POSITION

DKK million	30 June 2022	30 June 2021	31 Dec. 2021
ASSETS			
Intangible assets	50,248	67,916	68,475
Property, plant and equipment	23,669	26,710	26,648
Financial assets	7,859	6,779	8,169
Total non-current assets	**81,776**	**101,405**	**103,292**
Inventories	5,674	5,455	5,391
Trade receivables	7,382	7,931	5,710
Other receivables	3,623	2,888	3,455
Cash and cash equivalents	13,287	8,376	8,344
Current assets	**29,966**	**24,650**	**22,900**
Assets in disposal group held for sale	16,523	-	191
Total current assets	**46,489**	**24,650**	**23,091**
Total assets	**128,265**	**126,055**	**126,383**
EQUITY AND LIABILITIES			
Equity, shareholders in Carlsberg A/S	33,412	40,789	43,941
Non-controlling interests	4,293	4,369	4,815
Total equity	**37,705**	**45,158**	**48,756**
Borrowings	22,705	28,396	22,755
Tax liabilities, retirement benefit obligations etc.	9,699	16,458	11,590
Total non-current liabilities	**32,404**	**44,854**	**34,345**
Borrowings	10,019	1,654	6,167
Trade payables	24,373	21,430	20,642
Deposits on returnable packaging materials	1,839	1,640	1,504
Other liabilities	15,022	11,319	14,969
Current liabilities	**51,253**	**36,043**	**43,282**
Liabilities in disposal group held for sale	6,903	-	-
Total current liabilities	**58,156**	**36,043**	**43,282**
Total equity and liabilities	**128,265**	**126,055**	**126,383**

The Russian business is presented as assets/liabilities in disposal group held for sale. Comparative figures have not been restated. For more information see note 8.

STATEMENT OF CHANGES IN EQUITY

DKK million	Shareholders in Carlsberg A/S							
2022	Share capital	Currency translation[1]	Hedging reserves[1]	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	**2,905**	**-37,324**	**-493**	**-37,817**	**78,853**	**43,941**	**4,815**	**48,756**
Consolidated profit	**-**	**-**	**-**	**-**	**-5,276**	**-5,276**	**612**	**-4,664**
Other comprehensive income	**-**	**639**	**-794**	**-155**	**191**	**36**	**-394**	**-358**
Total comprehensive income for the year	**-**	**639**	**-794**	**-155**	**-5,085**	**-5,240**	**218**	**-5,022**
Cancellation of treasury shares	-68	-	-	-	68	-	-	-
Share-based payments	-	-	-	-	67	67	-	67
Dividends paid to shareholders	-	-	-	-	-3,389	-3,389	-740	-4,129
Share buy-back	-	-	-	-	-1,967	-1,967	-	-1,967
Total changes in equity	**-68**	**639**	**-794**	**-155**	**-10,306**	**-10,529**	**-522**	**-11,051**
Equity at 30 June	**2,837**	**-36,685**	**-1,287**	**-37,972**	**68,547**	**33,412**	**4,293**	**37,705**

[1] The currency translation and hedging reserves within equity related to Russian operations held for sale represent losses of DKK 36bn and DKK 0.4bn, respectively (30 June 2021: losses of DKK 38bn and DKK 0bn).

DKK million	Shareholders in Carlsberg A/S							
2021	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January	**2,963**	**-40,215**	**-609**	**-40,824**	**77,169**	**39,308**	**4,054**	**43,362**
Consolidated profit	**-**	**-**	**-**	**-**	**3,027**	**3,027**	**486**	**3,513**
Other comprehensive income	**-**	**1,361**	**69**	**1,430**	**240**	**1,670**	**199**	**1,869**
Total comprehensive income for the year	**-**	**1,361**	**69**	**1,430**	**3,267**	**4,697**	**685**	**5,382**
Cancellation of treasury shares	-58	-	-	-	58	-	-	-
Share-based payments	-	-	-	-	56	56	-2	54
Dividends paid to shareholders	-	-	-	-	-3,187	-3,187	-352	-3,539
Share buy-back	-	-	-	-	-1,263	-1,263	-	-1,263
Non-controlling interests	-	-	-	-	1,178	1,178	-16	1,162
Total changes in equity	**-58**	**1,361**	**69**	**1,430**	**109**	**1,481**	**315**	**1,796**
Equity at 30 June	**2,905**	**-38,854**	**-540**	**-39,394**	**77,278**	**40,789**	**4,369**	**45,158**

STATEMENT OF CASH FLOWS

DKK million	H1 2022	H1 2021	2021
Operating profit before special items	6,442	4,741	10,129
Depreciation, amortisation and impairment losses	2,128	1,957	4,238
Operating profit before depreciation, amortisation and impairment losses	**8,570**	**6,698**	**14,367**
Other non-cash items	-432	-106	-354
Change in trade working capital	2,707	307	733
Change in other working capital	-622	288	616
Restructuring costs paid	-97	-210	-353
Interest etc. received	32	34	68
Interest etc. paid	-698	-327	-916
Income tax paid	-1,080	-945	-1,883
Cash flow from operating activities	**8,380**	**5,739**	**12,278**
Acquisition of property, plant and equipment and intangible assets	-1,606	-1,659	-3,903
Disposal of property, plant and equipment and intangible assets	151	44	257
Change in on-trade loans	75	67	148
Total operational investments	**-1,380**	**-1,548**	**-3,498**
Free operating cash flow	**7,000**	**4,191**	**8,780**
Acquisition and disposal of subsidiaries, net	-	65	-621
Acquisition and disposal of associates and joint ventures, net	-31	-	-48
Change in financial receivables	53	-11	-189
Dividends received	272	232	291
Total financial investments	**294**	**286**	**-567**
Other investments in real estate	-	-1	-2
Total other activities	**-**	**-1**	**-2**
Cash flow from investing activities	**-1,086**	**-1,263**	**-4,067**
Free cash flow	**7,294**	**4,476**	**8,211**
Shareholders in Carlsberg A/S	-3,389	-3,187	-3,187
Share buy-back	-1,967	-1,263	-3,600
Non-controlling interests	-740	-403	-550
External financing	3,848	-162	-1,608
Cash flow from financing activities	**-2,248**	**-5,015**	**-8,945**
Net cash flow from continuing operations	**5,046**	**-539**	**-734**
Net cash flow from Russian operations held for sale[1]	515	798	662
Net cash flow	**5,561**	**259**	**-72**
Cash and cash equivalents at beginning of period	8,344	7,958	7,958
Foreign exchange adjustment of cash and cash equivalents	391	159	458
Cash and cash equivalents included in disposal group held for sale	-1,009	-	-
Cash and cash equivalents at period-end	**13,287**	**8,376**	**8,344**

[1] See note 8.

NOTE 1 (PAGE 1 OF 2)

SEGMENT REPORTING BY REGION

	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Beer (million hl)					
Western Europe	9.1	8.9	15.3	14.3	29.7
Asia	12.2	10.8	23.4	21.2	39.1
Central & Eastern Europe	8.6	8.4	13.9	13.9	30.0
Total	**29.9**	**28.1**	**52.6**	**49.4**	**98.8**
Other beverages (million hl)					
Western Europe	3.9	3.2	6.8	5.7	12.4
Asia	1.7	1.3	3.4	2.7	5.3
Central & Eastern Europe	0.8	0.9	1.4	1.4	2.7
Total	**6.4**	**5.4**	**11.6**	**9.8**	**20.4**
Revenue (DKK million)					
Western Europe	10,269	8,803	17,228	13,832	30,501
Asia	6,647	5,086	12,670	10,075	19,459
Central & Eastern Europe	3,591	2,972	5,542	4,754	10,128
Not allocated	4	7	7	11	9
Beverages, total	**20,511**	**16,868**	**35,447**	**28,672**	**60,097**
Non-beverage	-	-	-	-	-
Total	**20,511**	**16,868**	**35,447**	**28,672**	**60,097**
Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)					
Western Europe			3,447	2,639	6,168
Asia			4,172	3,323	6,559
Central & Eastern Europe			1,449	1,331	2,862
Not allocated			-536	-594	-1,231
Beverages, total			**8,532**	**6,699**	**14,358**
Non-beverage			38	-1	9
Total			**8,570**	**6,698**	**14,367**
Operating profit before special items (DKK million)					
Western Europe			2,585	1,743	4,372
Asia			3,257	2,601	4,855
Central & Eastern Europe			1,149	1,035	2,257
Not allocated			-582	-631	-1,347
Beverages, total			**6,409**	**4,748**	**10,137**
Non-beverage			33	-7	-8
Total			**6,442**	**4,741**	**10,129**
Operating margin (%)					
Western Europe			15.0	12.6	14.3
Asia			25.7	25.8	24.9
Central & Eastern Europe			20.7	21.8	22.3
Not allocated			-	-	-
Beverages, total			**18.1**	**16.6**	**16.9**
Non-beverage			-	-	-
Total			**18.2**	**16.5**	**16.9**

Figures are presented for continuing operations only.

NOTE 1 (PAGE 2 OF 2)

SEGMENT REPORTING BY REGION

DKK million	30 June 2022	30 June 2021	2021
Invested capital, period-end			
Western Europe	34,562	36,987	35,582
Asia	19,412	17,753	20,244
Central & Eastern Europe	7,019	7,871	7,402
Not allocated	-1,035	-321	-418
Beverages, total	**59,958**	**62,290**	**62,810**
Non-beverage	1,021	731	1,168
Total	**60,979**	**63,021**	**63,978**
Invested capital excl. goodwill, period-end			
Western Europe	14,277	17,058	15,317
Asia	3,245	1,908	4,281
Central & Eastern Europe	4,071	3,991	3,738
Not allocated	-1,035	-321	-418
Beverages, total	**20,558**	**22,636**	**22,918**
Non-beverage	1,021	731	1,168
Total	**21,579**	**23,367**	**24,086**
Return on invested capital, ROIC (%), 12-month average			
Western Europe	11.4	8.3	9.1
Asia	21.6	19.1	20.3
Central & Eastern Europe	26.7	23.6	23.6
Not allocated	-	-	-
Beverages, total	**15.2**	**11.6**	**12.8**
Non-beverage	-		
Total	**14.9**	**11.5**	**12.5**
Return on invested capital excl. goodwill (%), 12-month average			
Western Europe	26.0	18.0	19.9
Asia	130.4	139.5	153.4
Central & Eastern Europe	51.2	47.0	47.0
Not allocated	-	-	-
Beverages, total	**42.5**	**31.3**	**35.4**
Non-beverage	-		
Total	**40.7**	**30.4**	**33.6**

Figures are presented for continuing operations only. Figures for 2021 have been restated.

NOTE 2

SEGMENT REPORTING BY ACTIVITY

			H1 2022			H1 2021
DKK million	Beverages	Non-beverage	Total	Beverages	Non-beverage	Total
Revenue	**35,447**	**-**	**35,447**	**28,672**	**-**	**28,672**
Operating profit before special items	6,409	33	6,442	4,748	-7	4,741
Special items, net	-875	10	-865	-174	-	-174
Financial items, net	-509	1	-508	-260	-2	-262
Profit before tax	**5,025**	**44**	**5,069**	**4,314**	**-9**	**4,305**
Income tax	-1,104	-11	-1,115	-1,113	7	-1,106
Profit from continuing operations	**3,921**	**33**	**3,954**	**3,201**	**-2**	**3,199**
Attributable to:						
Non-controlling interests	612	-	612	486	-	486
Shareholders in Carlsberg A/S (net profit)	3,309	33	3,342	-2,715	2	-2,713

Figures are presented for continuing operations only.

NOTE 3

SEGMENT REPORTING BY HALF-YEAR

DKK million	H1 2022	H1 2021	2021
Revenue			
Western Europe	17,228	13,832	30,501
Asia	12,670	10,075	19,459
Central & Eastern Europe	5,542	4,754	10,128
Not allocated	7	11	9
Beverages, total	**35,447**	**28,672**	**60,097**
Non-beverage	-	-	-
Total	**35,447**	**28,672**	**60,097**
Operating profit before special items			
Western Europe	2,585	1,743	4,372
Asia	3,257	2,601	4,855
Central & Eastern Europe	1,149	1,035	2,257
Not allocated	-582	-631	-1,347
Beverages, total	**6,409**	**4,748**	**10,137**
Non-beverage	33	-7	-8
Total	**6,442**	**4,741**	**10,129**
Special items, net	-865	-174	703
Financial items, net	-508	-262	-385
Profit before tax	**5,069**	**4,305**	**10,447**
Income tax	-1,115	-1,106	-2,427
Profit from continuing operations	**3,954**	**3,199**	**8,020**
Attributable to:			
Non-controlling interests	612	486	1,163
Shareholders in Carlsberg A/S (net profit)	3,342	2,713	6,857

Figures are presented for continuing operations only.

NOTE 4

SPECIAL ITEMS

DKK million	H1 2022	H1 2021	2021
Special items, income:			
Reversal of provisions made in purchase price allocations in prior years	-	317	1,238
Reversal of provisions made in prior years	-	-	52
Reversal of impairment losses	-	-	83
Gain on disposal of entities and assets	27	15	15
Revaluation gain on deconsolidation of Gorkha Brewery	-	-	38
Income	**27**	**332**	**1,426**
Special items, expenses:			
Goodwill impairment[2]	-700	-	-
Impairment of investment of associates	-	-244	-244
Impairment of trade receivables, obsolete inventories and commercial assets in Ukraine[1,2]	-139	-	-
Reset, other restructurings and provisions	-13	-95	-270
Adjustment of contingent consideration	-	-131	-129
COVID-19, personal protective equipment and donations	-	-15	-32
Donations	-31	-	-
Costs related to acquisition of entities, etc.	-9	-21	-48
Expenses	**-892**	**-506**	**-723**
Special items, net	**-865**	**-174**	**703**

Figures are presented for continuing operations only.

[1] A significant number of customers and sales outlets in Ukraine have been negatively impacted by the war. Consequently, impairments of doubtful trade receivables, obsolete inventories and property, plant and equipment at around DKK 300m were recognised in special items in March 2022. The impairments were reassessed at 30 June 2022 and the amount adjusted to DKK 139m.
[2] See note 9.

NOTE 5

NET FINANCIAL EXPENSES

DKK million	H1 2022	H1 2021	2021
Financial income			
Interest income	83	36	90
Foreign exchange gains, net	-	15	-
Interest on plan assets, defined benefit plans	-	-	99
Reversal of impairment of financial assets	12	2	363
Other	23	6	19
Total	**118**	**59**	**571**
Financial expenses			
Interest expenses	-248	-252	-499
Capitalised financial expenses	-	4	4
Foreign exchange losses, net	-278	-	-52
Interest cost on obligations, defined benefit plans	-19	-18	-138
Interest expenses, lease liabilities	-6	-5	-13
Other	-75	-50	-258
Total	**-626**	**-321**	**-956**
Financial items, net, recognised in the income statement	**-508**	**-262**	**-385**
Financial items excluding foreign exchange, net	**-230**	**-277**	**-333**

Figures are presented for continuing operations only.

NOTE 6

DEBT AND CREDIT FACILITIES

DKK million

Time to maturity for non-current borrowings 30 June 2022	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	11,131	-	-	-	10,342	21,473
Bank borrowings	21	10	14	1	-	46
Lease liabilities	289	83	69	63	451	955
Other non-current borrowings	110	106	-	1	14	231
Total	**11,551**	**199**	**83**	**65**	**10,807**	**22,705**
Financial liabilities 30 June 2021	**5,922**	**11,351**	**178**	**140**	**10,805**	**28,396**

DKK million

Currency split of net financial debt[1]	30 June 2022	30 June 2021
EUR	19,261	18,046
USD	2,870	2,575
CHF	1,371	1,962
Other currencies	-4,048	-909
Total	**19,454**	**21,674**

[1] After currency swaps.

DKK million

Committed credit facilities	30 June 2022	30 June 2021
< 1 year	11,164	2,840
1-2 years	11,572	5,922
2-3 years	199	11,351
3-4 years	14,964	178
4-5 years	65	15,012
> 5 years	10,807	10,805
Total	**48,771**	**46,108**
Current	11,164	2,840
Non-current	37,607	43,268

H1 2022 figures are presented for continuing operations only. Comparative figures have not been restated.

NOTE 7

NET INTEREST-BEARING DEBT

DKK million	H1 2022	H1 2021	2021
Issued bonds	21,473	27,007	21,452
Bank borrowings	46	78	78
Lease liabilities	954	1,015	1,012
Other non-current borrowings	232	296	213
Total non-current borrowings	**22,705**	**28,396**	**22,755**
Issued bonds	-	-	5,573
Current portion of other non-current borrowings	5,577	-	-
Bank borrowings	3,975	290	116
Lease liabilities	359	373	375
Other current borrowings	108	991	103
Total current borrowings	**10,019**	**1,654**	**6,167**
Gross financial debt	**32,724**	**30,050**	**28,922**
Cash and cash equivalents	-13,287	-8,376	-8,344
Net financial debt	**19,437**	**21,674**	**20,578**
Loans to associates, interest-bearing portion	-276	-221	-238
On-trade loans, net	-505	-581	-578
Other receivables, net	-566	-69	-600
Other interest-bearing assets, net	**-1,347**	**-871**	**-1,416**
Net interest-bearing debt[1]	**18,090**	**20,803**	**19,162**

[1] Net interest-bearing debt excluding disposal group held for sale amounted in H1 2021 to DKK 21,751m and in FY 2021 to DKK 19,727m.

H1 2022 figures are presented for continuing operations only. Comparative figures have not been restated.

Changes in net interest-bearing debt	H1 2022	H1 2021	2021
Net interest-bearing debt at beginning of period	**19,162**	**21,263**	**21,263**
Net interest-bearing debt reclassified to disposal group held for sale	-491	-	-
Cash flow from operating activities	-8,380	-6,684	-13,259
Cash flow from investing activities	1,055	1,465	3,696
Cash flow from acquisitions	31	-62	687
Dividend to shareholders and non-controlling interests	4,129	3,590	3,737
Share buy-back	1,967	1,263	3,600
Net interest-bearing debt from acquisition of subsidiaries	-	-10	29
Change in interest-bearing lending	66	42	-152
Lease liabilities, net	203	102	275
Other	253	-	-346
Effects of currency translation	95	-166	-368
Total change	**-1,072**	**-460**	**-2,101**
Net interest-bearing debt, end of period	**18,090**	**20,803**	**19,162**

H1 2022 figures are presented for continuing operations only. Comparative figures have not been restated. All borrowings are measured at amortised cost.

NOTE 8

DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

Following Russia's invasion of Ukraine, on 28 March 2022 the Group announced its decision to seek a full divestment of the Russian business. It was management's assessment that the divestment will take up to 12 months.

The net result from Russian operations held for sale is therefore presented separately in the income statement and the statement of cash flows. The comparative figures have been restated accordingly.

Until completion of the divestment, the Russian business will not be part of the Central & Eastern Europe region and is therefore not included in the segment disclosures.

In the statement of financial position, the Russian business is presented as assets and liabilities respectively in disposal group held for sale. Comparative figures for 2021 have not been restated.

The net assets of the Russian business have been measured at fair value less costs to sell, resulting in a write-down of approximately DKK 9.6bn at the time of the reclassification to held for sale.

The fair value was not based on external offers for the business but on estimations of the net present value of expected future cash flows in local currency. Mainly unobservable inputs (IFRS 13: Level 3) were applied, including a range of internal assumptions, such as the extent of sanctions, developments in the Russian beer market, continuing business operations in Russia, the competitive environment, and also macroeconomic assumptions, including inflation and interest rates. In the estimation of the fair value, a pre-tax discount rate of 19%, long-term growth rate of 4% and compounded growth in free cash flow of 8% were applied. All assumptions are based on current expectations in local currency and subject to a very high degree of volatility and uncertainty. Consequently, the fair value of the net assets related to the business in Russia is highly sensitive to changes in the assumptions and will be remeasured to fair value at every subsequent period-end, with any gain or loss included in the net result from Russian operations held for sale.

The fair value of the disposal group held for sale was reassessed at 30 June 2022. The net asset value in local currency remained largely unchanged compared with the initial valuation of 31 March, so there have not been any additional charges to the income statement. The net asset value in DKK increased during Q2 to DKK 9.6bn because of the appreciation of the Russian rouble (DKK/RUB 0.13813 at 30 June compared to 0.07938 at 31 March) and the development in the operating result.

The fair value has been reported in local currency and translated into the Group's presentation currency (DKK) at the official exchange rate on the reporting date. Any adjustment to the consolidated value of the Russian business due to changes in the exchange rate has been recognised in other comprehensive income and in the currency translation reserve within equity. The Group currently has no knowledge as to the currency in which the proceeds from the disposal will be received. There is significant uncertainty associated with the exchange rate that will be applied in a transaction completed in a currency other than RUB. If the proceeds from the disposal are in RUB, there is significant risk that the cash received will not be immediately available for general use in the Group because of the currency restrictions and the limited exchange of roubles in the financial markets.

On completion of the divestment, the currency translation reserve within equity related to the Russian business will be reclassified from equity to the income statement and included in the net result from Russian operations held for sale. At 30 June, the accumulated currency translation reserve related to the Russian business represented a loss of around DKK 36bn (December 2021: loss of DKK 38bn). After reclassification of the currency translation reserve, the amount will be recognised in retained earnings. Consequently, there will be no change in total equity. The reclassification will have no effect on the Group's cash position.

KEY FIGURES

DKK million	H1 2022	H1 2021	2021
Revenue	4,340	3,015	6,537
Costs/expenses	-3,501	-2,647	-6,755
Profit before tax from Russian operations held for sale	**839**	**368**	**-218**
Income tax	105	-54	207
Profit for the period from Russian operations held for sale	**944**	**314**	**-11**
Impairment loss recognised on the remeasurement to fair value less costs to sell	-9,562	-	-
Net result for the period from Russian operations held for sale	**-8,618**	**314**	**-11**

DKK million	H1 2022	H1 2021	2021
Intangible assets	8,071	18,123	17,807
Property, plant and equipment	4,006	2,501	2,562
Inventories	1,479	716	776
Receivables	1,958	1,017	828
Cash and cash equivalents[1]	1,009	292	127
Assets in disposal group held for sale	**16,523**	**22,649**	**22,100**
Borrowings	22	-	-
Tax liabilities, retirement benefit obligations etc.	1,591	1,265	1,002
Trade payables	3,104	1,905	1,585
Other liabilities	2,186	952	771
Liabilities in disposal group held for sale	**6,903**	**4,122**	**3,358**
Net assets in disposal group held for sale	**9,620**	**18,527**	**18,742**

[1] Cash and cash equivalents are not available for general use in the Group because of currency restrictions.

DKK million	H1 2022	H1 2021	2021
Cash flow from operating activities	835	945	981
Cash flow from investing activities	-117	-140	-316
Cash flow from financing activities	-203	-7	-3
Cash flow from Russian operations held for sale	**515**	**798**	**662**

NOTE 9

IMPAIRMENT

The Group performs its annual impairment test in December and otherwise when circumstances indicate that the carrying amount may be impaired. The Group's impairment tests for goodwill and brands with indefinite useful lives are based on value-in-use calculations.

When it was announced on 28 March 2022 that the Group would seek a full disposal of the business in Russia, this was separated out from the Central & Eastern Europe region (cash generating unit, CGU) and accounted for separately (see note 8). The long-term outlook for operations and cash flows for the remainder of the region (excluding the Russian business) has been negatively impacted by the war in Ukraine and an increasingly challenging macroeconomic environment. This indicated a decrease in the recoverable amount, for which reason management performed an impairment test for the Central & Eastern Europe region.

The current economic challenges in Ukraine are expected to continue beyond 2022, having a long-term impact on the assumptions applied in the impairment test. The economic situation in Ukraine is very uncertain, and the indirect impact from the war in the form of rising commodity prices and energy costs coupled with higher interest and inflation rates in the region is expected to be significant. The cash flow projections have been updated, resulting in a reassessment of the expected future growth in Central & Eastern Europe and of the recoverable amount.

The growth rate applied in the impairment test to estimate cash flows beyond the forecast period was 2% (2021: 3%). The rate was based on expected future inflation rates and adjusted for risk. The discount rate applied in the forecast period was 5% (2021: 6%). The reason for the decrease was the very low projected cash flow contribution from Ukraine, which had a higher interest rate than the other markets in the region. Due to the increased volatility and the uncertainty related to the estimation of future cash flows, the risk adjustments have been increased compared with the impairment test performed in 2021. The key assumptions used to determine the recoverable amount for the various CGUs were disclosed in the consolidated financial statements for 2021.

Given the high degree of uncertainty and the risk of a decrease in profits, the recoverable amount of the Central & Eastern Europe region, including Ukraine, has been reduced and impairment of goodwill of DKK 700m has been recognised in special items. Prior to the impairment test of goodwill, individual assets were assessed for impairment. The war in Ukraine has led to the loss or destruction of sales equipment and returnable packaging material deployed in the market, resulting in impairment losses of DKK 39m on property, plant and equipment. Consequently, total impairment losses on non-current assets amounted to DKK 739m. Including impairments of current assets (DKK 100m), total impairments of DKK 839m have been recognised in special items.

Following the reassessment of the recoverable amount and write-down of goodwill, any increase in the discount rate or decrease in the terminal growth rate would result in an additional impairment.

The Western Europe and Asia regions did not show indications of impairment, as management assessed that the likely changes in key assumptions would not cause the carrying amount of goodwill and brands to exceed the recoverable amount.