

Q1 2023 AIDE MEMOIRE

A number of events in 2022 and Q1 2023 have an impact on the year-on-year comparison for Q1. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for Q1 2023 versus the same periods last year.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

At the Q1 2022 conference call, we commented the volume development versus pre-pandemic:

"...the total volumes were up 1% versus Q1 2019, and then I exclude the UK." [UK excluded due to the Marston Brewing Company acquisition, distorting comparisons.]

At the FY 2022 conference call, we commented on some specific market trends.

Poland:

"We saw good growth for our local mainstream brands and Garage, while the flavored category declined as consumers traded down into mainstream and lower mainstream lagers."

The UK:

"In the UK, we had a good H1, supported by the significant rebound of the on-trade. During H2, we experienced an increasingly challenging trading environment with consumer behavior being impacted by the high inflation. Volumes for the year grew mid-single-digit, but declined in H2."

... and made the following comments regarding price negotiations:

"With regards to the current status for 2023, pricing especially in Q1 in Western Europe, we can say that we are cautiously optimistic."

The FY 2022 announcement also included the following information:

"On 7 November, our UK subsidiary Carlsberg Marston's Brewing Company announced the sale of the Eagle Brewery to long-term partner Damm."

Asia

In the Q1 2022 announcement, we stated:

“All markets except India and Hong Kong delivered organic volume growth. Our Chinese business delivered good execution of the Chinese New Year activities, with strong growth for the international and local premium portfolio. Our business in Laos benefited from the relaxation of restrictions and achieved record-high volumes, supported by both the beer and soft drinks business. In India, the first part of the quarter was impacted by the outbreak of the Omicron COVID variant but rebounded strongly in March.”

... and commented on the China development in Q1 2022:

“With regards to the China business, the volumes were up by 11%, revenues 17%. In a declining market, around 1.5%. So we had a very good start of the year with excellent sell-in to Chinese New Year in January. And afterwards, we saw that there was a very good throughput. So we had an excellent execution of Chinese New Year.”

...and commented on Asia Q1 2022 performance versus Q1 2019:

“...let me then give you the full picture – when we take Asia, it’s 21%, very much because of strong growth in China. So when we take Q1 2022 versus 2019, China is 36% ahead. But also Laos is 13% ahead, Vietnam 24% ahead.”

Central & Eastern Europe

In the Q1 2022 announcement, we stated:

“Revenue in the region grew organically by 8.2%, as strong revenue/hl growth of 11% more than offset the organic volume decline of 2.1%.”

...and:

“Excluding Ukraine, volumes in the region grew by 8%.”

On 10 March 2023, we announced:

“The acquisition of Waterloo Brewing has now been finalised, and they are officially a part of the Carlsberg Group.”

Structural changes

In the FY 2022 announcement, we commented on the put option related to the Indian joint venture:

“The put option valuation can be disputed by the shareholders if the valuations are conducted in breach of the Shareholders’ Agreement, including, but not limited to, circumstances where the valuations are tainted by fraud or manifest error. The Group will work with its external advisors to evaluate its position and assess

whether CSAPLH has committed additional breaches of the Shareholders' Agreement, which would justify further legal steps against CSAPLH."

OUTLOOK

In the FY 2022 announcement, we gave guidance for 2023:

"2023 will be another challenging year. Due to our and our suppliers' rolling hedging, last year's commodity and energy price increases will have a significant impact on our 2023 cost of sales and logistics costs. We intend to offset the higher costs in absolute terms through pricing, mix and continued tight focus on costs. While beer historically has been a resilient consumer category, the higher prices in combination with generally high inflation may have a negative impact on beer consumption in some of our markets, particularly in Europe. The development of the war in Ukraine and the impact on our business remain highly uncertain, as is the COVID-19 recovery in China, including consumer off-take during the Chinese New Year celebrations.

The wide guidance range reflects these significant uncertainties for 2023. Consequently, 2023 guidance is:

- *Organic operating profit development of -5% to +5%.*

We are assuming an organic increase in cost of sales per hl of low-teen percentages for the Group, with large variations between markets and regions. The cost pressure is expected to be more pronounced in H1.

Based on the spot rates at 6 February, we assume a translation impact on operating profit of around DKK - 550m for 2023.

Other relevant assumptions are:

- *Financial expenses, excluding foreign exchange losses or gains, of around DKK 600m.*
- *Reported effective tax rate of around 21%.*
- *Capital expenditure at constant currencies at around DKK 5.0bn."*

At the FY 2022 conference call, we elaborated on the assumptions for Western Europe:

"On the guidance and Western Europe, yes, we are assuming a slight volume decline in Western Europe, and I guess I could put a little bit more color on that saying that volume decline but limited channel and brand – negative channel and brand mix, so on the back of price increases early in, in the first quarter in all markets and then into the next year with the second. And also those volume declines is assumed to be on the back of no COVID-19 restrictions and – which means that overall EBIT and margins will be under pressure and there is some risk of profit decline in 2023 in Western Europe."

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This aide memoire contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future 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 the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such 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 expectations or forecasts at the time. 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 raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can 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.