Q4 2021 AIDE MEMOIRE

A number of events in 2020 and 2021 have an impact on the year-on-year comparison for Q4, H2 and full-year 2021. 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 Q4 and H2 2021 versus the same periods last year.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

At the Q4 2020 conference call, we commented on the Q4 2020 performance:

"With regards to Western Europe and especially Q4, you've seen the volumes were hit by lockdowns. There was an on-trade decline of 60%. So, that's huge, of course. There was a slight growth in the off-trade, but less than in Q2, and it's mainly due to less outdoor occasions during winter due to the weather.".

At the Q3 2021 conference call, we commented on the Q3 on-trade performance:

"With regards to the on-trade, where we were in Q3 2021 versus 2020, it's 8% up in the on-trade and minus 2% in the off-trade. And the index over 2019 for the on-trade is 90, index 90. So, basically, we're still below 2019. What we see is the further developing of the on-trade during also, indeed, during Q3: Switzerland and France, for example, were a bit later in the game of reopening and there were more restrictions there than in some other countries. And we see the consequences of that back in our volume, but also, of course, in our margins, because, as you know, traditionally, on-trade has better margins."

Asia

At the Q3 2021 conference call, we commented on the general COVID-related situation in Asia:

"It is important to emphasize that the uncertainty remains very high in many markets across our regions. In many Asian markets, there are frequent changes in restrictions and lockdowns."

… and elaborated on the Q3 volume development in China:

"In a slightly declining market, our Chinese business delivered 11% volume growth, albeit this number was helped by easy comps as part of Western China was subject to severe lockdowns in Q3 last year."

At the Q4 2020 conference call, we commented on revenue/hl in Asia for Q4 2020:

"Revenue per hectoliter was also impacted by a change in discount accruals, which was offset in other cost lines and therefore profit neutral."

…and further elaborated:

"…the comment around the China discount accruals is really a technical sort of accounting posting in China. It is a reversal of previously booked discounted accruals. Adjusting for this, so taking this one out, revenue per

hectoliter in China for the full year would have been, let's say, 5% to 6% instead of the reported sort of 8% to 9%."

Central & Eastern Europe

At the Q3 2021 conference call, we commented on Russian prices:

"The overall pricing environment in Russia remains challenging, but to compensate for some of the higher inputs and logistic costs seen already in second half, and also the RUB 1 duty increase as of 1st of January 2022, we increased prices towards our customers in late Q3 … On average, we have being able to land a close to 4%, in fact, 3.7% price increase. We announced it in September, we've closed most of the negotiations with the customers. And in that respect, that is a good step, although, it does not yet at all cover for the high cost inflation in Russia."

OUTLOOK

At the Q3 2021 announcement, we upgraded the 2021 outlook:

"…in light of better-than-expected results across our regions for Q3 and the start to Q4, we upgrade our earnings guidance and other relevant assumptions for 2021:

• Organic growth in operating profit within the range of 10-12% (previously 8-11%).
• Based on the spot rates at 26 October, we assume a translation impact of around DKK -100m for 2021 (previously DKK -150m).
• The reported effective tax rate is now expected to be around 24% (previously around 25%)."

At the Q2 2021 conference call, we commented on the H2 outlook:

"The 15.6% organic growth in operating profit at the first half and the 8% to 11% outlook for the full year implicitly means that the growth in second half will be lower than in the first half. There are several reasons for this. Firstly, in several markets, we will have more difficult comps than in the first half. Secondly, the weather in Western Europe and Central & Eastern Europe was very good in Q3 last year. Thirdly, on the cost side, COGS will be slightly higher in second half due to an increase in commodities and, at the same time, we expect higher marketing investments in second half due to the reopening of the on-trade in many of our markets."

At the Q3 2021 conference call, we elaborated on the upgrade of the 2021 outlook:

"It is not one specific market driving yesterday's upgrade but better than expected results across all three regions in Q3. The upgrade also takes into account performance so far in October. It is important to emphasize that the uncertainty remains very high in many markets across our regions. In many Asian markets, there are frequent changes in restrictions and lockdowns. The same is true in several European markets. In addition, we also see a risk for consumer behavior being impacted by the increasing inflationary pressure."

At the Q3 2021 conference call, we explained the reason for pre-releasing the announcement ahead of schedule:

"The reason for sending out the announcement yesterday is to comply with the interpretation of the EU Market Abuse Regulation by the Danish regulators."

At the Q2 2021 conference call, we commented more specifically on the 2021 COGS outlook in Central & Eastern Europe:

"The biggest impact that we see in 2021 is in some of the Central & Eastern European markets due to the negative transactional impact from last year's depreciation of the currencies, for instance, the Russian ruble. And the largest impact we have seen this year so far is on aluminium and on oil-related packaging materials."

COGS

When asked about 2022 COGS at the Q3 2021 conference, we gave the following answer:

"For many of our commodities, utilities, and logistics services, we have seen prices at very high levels during the autumn and therefore, to your point, the headwind for 2022 will be significantly higher than in 2021. And for 2021, we were indeed hedge.

"I'm afraid that we'll not, at this moment in time, give you an estimate of the increase in COGS and logistics in 2022. It's still a work in progress. We are still not fully hedged and volatility remains very high on those commodities that can be hedged and inputs that cannot be hedged. Another reason is that for competitive reasons, as we are in the middle of customer negotiations, we cannot make further comments at this time. But as always, we will come back in connection with the full year guidance in February."

…and further commented:

"…maybe to give you some comfort, we started preparing for 2022 already before the summer. Also at market level, so very much country-by-country. COGS increases will vary significantly market-by-market and plans therefore need to be locally based. And our operators are working on determining the right balance of mitigating actions. And the levers you are talking about are about value management, indeed. Channel mix, especially in Western Europe vis-à-vis 2021 Q1. Pricing, of course, and also Funding the Journey. So the cost initiatives. I hope that sufficed your question or answers your question."

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