

Company announcement 11/2023

27 April 2023

Page 1 of 8

TRADING STATEMENT AS AT 31 MARCH 2023 – NARROWING THE GUIDANCE RANGE

Unless otherwise stated, comments in this announcement refer to Q1 performance.

OVERALL VOLUME GROWTH, PARTICULARLY IN ASIA

Organic volume growth +2.1%

- Organic volume development in Western Europe -1.0%, Asia +4.9% and Central & Eastern Europe +0.9%.
- International premium brand volume development: Tuborg +1%, Carlsberg +4%, 1664 Blanc +10%, Brooklyn +51%, Grimbergen +6% and Somersby -8%.
- Total premium category +2%.
- Alcohol-free brews -6%.

VERY STRONG REVENUE/HL ACROSS REGIONS

Organic revenue growth +14.2%

- Revenue/hl +12%, with strong growth in all three regions, particularly in Central & Eastern Europe.
- Revenue/hl improvement driven by a positive channel mix following the on-trade recovery after COVID-19, price increases and a positive country mix.
- Organic revenue growth in Western Europe +11.5%, Asia +12.4% and Central & Eastern Europe +29.6%.
- Reported revenue growth +9.8% to DKK 16.4bn.

SUPPORTING SHAREHOLDER RETURNS

New quarterly share buy-back programme

- A quarterly share buy-back programme, amounting to DKK 1.0bn, will be launched today.

NARROWING 2023 EARNINGS GUIDANCE RANGE

Some of the uncertainties underlying the guidance provided on 7 February have lessened. Although we saw good Q1 performance, some uncertainties remain:

- During Q1, we were able to implement price increases in order to mitigate significantly higher costs. The impact on volumes and mix from the higher beer prices and continued high inflation in general remains uncertain, particularly in Europe.
- The impact of the war on our business in Ukraine is largely unchanged; however, the environment remains unpredictable.
- The uncertainty related to the COVID-19 recovery in China has diminished.

Consequently, we narrow the earnings guidance range for 2023:

- Organic growth in operating profit of -2% to +5% (previously -5% to +5%).
- Translation impact on operating profit of around DKK -800m, based on the spot rates at 26 April (previously around DKK -550m).

CEO Cees 't Hart says: "The first quarter of the year showed a strong improvement in revenue per hectolitre, covering the significant increase in our cost base.

"Although uncertainties for the year remain, particularly in Europe, we're pleased that we've been able to narrow the earnings guidance range and that we're initiating a new DKK 1bn share buyback today in light of our strong balance sheet. We remain committed to our SAIL'27 strategy and will continue to invest in our long-term ambitions, while responding to short-term challenges."

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For more news, sign up at www.carlsberggroup.com/subscribe or follow [@CarlsbergGroup](https://twitter.com/CarlsbergGroup) on Twitter.

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

FIRST-QUARTER REVIEW

The Group delivered strong organic revenue growth of 14.2% as a result of total organic volume growth of 2.1% and revenue/hl growth of 12%. All three regions posted double-digit organic revenue growth, with particularly strong growth in Central & Eastern Europe. Reported revenue grew by 9.8% to DKK 16.4bn, with acquisitions contributing +0.2% and currencies -4.6%, impacted in particular by the depreciation of the Laotian, Chinese, Norwegian, British and Ukrainian currencies.

Our total premium beer volumes grew by 2%, mainly driven by our global premium brands. Strong growth in markets such as India, Vietnam, France and the Export & License business was partly offset by a terminated licence agreement in the UK.

The core mainstream beer volumes grew by 3%, particularly supported by local brands such as Lvivske in Ukraine, Huda in Vietnam, Beerlao in Laos and several mainstream brands in China.

Alcohol-free brew volumes declined by 6%, mainly impacted by phasing of promotional activities in France and lower volumes in large markets in the Middle East and the large Polish market. Carlsberg 0.0. continued to deliver solid growth.

The Carlsberg brand grew by 4%, driven by solid growth in premium Asian markets, particularly India and China. Tuborg grew by 1% as strong growth in Asian markets was partly offset by a significant decline in Turkey following the devastating earthquake. 1664 Blanc was up by 10%, supported by growth in the Export & License business, mainly South Korea, Ukraine and Vietnam. Brooklyn grew strongly by 51%, mainly driven by last year's launch in the UK and Poland. Grimbergen grew by 6%, driven by a rebound in the large French market. Somersby grew in markets such as Germany, Ukraine and Laos, but total volumes were under pressure, mainly due to lower volumes in the Export & License business and in Poland, where the brand was impacted by the largest price increases.

WESTERN EUROPE

Organic revenue growth in Western Europe was 11.5%, driven by strong growth in revenue/hl of 13% while organic volumes declined by 1.0%. Reported revenue was +8.5%, impacted by the depreciation of the Norwegian and British currencies.

Volumes grew in markets such as France, Denmark, Sweden, Norway and Germany, while they declined in markets such as Poland and the UK.

Revenue/hl grew in all markets as a result of price increases both from last year and in Q1 2023 to cover the continued cost increases. In addition, there was a positive channel mix compared with Q1 last year, when the on-trade was partly impacted by COVID-19 restrictions. Finally, revenue/hl benefited from country mix due to volume growth in higher-priced markets such as France, Norway and Denmark, and volume decline in the lower-priced markets Poland and the UK.

ASIA

Organic revenue growth in Asia was strong at 12.4%, supported by organic volume growth of 4.9% and revenue/hl of +7%. Reported revenue growth was 5.4% due to the currency impact of -7.0%, following the depreciation of the Laotian and Chinese currencies.

We saw organic volume growth in most Asian markets, supported by well-executed festive season activities. India, Vietnam and Laos delivered particularly strong volume growth. Despite a very strong Q1 last year, our volumes in China benefited from a well-executed Chinese New Year.

The revenue/hl improvement was supported by brand mix and price increases, particularly in Laos due to the significant inflation in that market.

CENTRAL & EASTERN EUROPE

Organic revenue growth in Central & Eastern Europe was very strong at 29.6%. Volumes increased by 0.9%, while revenue/hl grew significantly by 29%. Reported revenue growth was 28.3%, mainly impacted by the depreciation of the Ukrainian currency.

The volume growth reflects very strong growth in Ukraine, mainly due to easy comparables, as the business was closed during parts of Q1 last year following the outbreak of the war. Volumes also grew in Serbia, Greece and Croatia, while they declined in markets such as Kazakhstan, the Baltics, Italy and some export & licence markets, notably Turkey, which was impacted by the earthquake.

The revenue/hl development was unusually strong, impacted by the compounding of several factors, such as price increases implemented to mitigate the significant inflationary pressure; easy comparables in Ukraine, as operations were stopped completely for a period of time last year following the outbreak of the war; a positive channel mix due to last year's COVID-19 restrictions; and a positive country mix due to lower volumes in the Turkish licence market following the earthquake in February.

RUSSIAN OPERATIONS HELD FOR SALE

Revenue in Russia increased organically by 10%, while volumes declined by 5%.

STRUCTURAL CHANGES

In 2022, we announced the decision to seek a full disposal of our Russian business. We are progressing with the complicated task of divesting the business and we are aiming to sign a divestment agreement before the summer.

The acquisition of Waterloo Brewing Ltd. in Canada was completed in Q1. The business has been consolidated from March.

On 6 February, CSAPL Holdings Pte Ltd issued a formal put notice to sell its 33% shareholding in Carlsberg South Asia Pte Ltd – the holding company for the businesses in India (100%) and Nepal (90%) – to the Carlsberg Group at the put option valuation amount of USD 744m. The Carlsberg Group has disputed the put option valuation, and the two parties have agreed to refer the issue to arbitration.

On 12 April, Carlsberg Marston's Brewing Company announced the acquisition of the rights for the Kronenbourg brand in the UK from Heineken. The transfer of the licence takes effect on 1 June 2023.

CHANGES TO THE EXECUTIVE COMMITTEE

On 16 March, the Group announced the appointment of Jacob Aarup-Andersen as the new CEO, following the announcement on 7 March of the retirement of CEO Cees 't Hart by the end of Q3 at the latest. Jacob Aarup-Andersen's starting date will be announced in due course.

NARROWING THE EARNINGS GUIDANCE

Some of the uncertainties underlying the guidance provided on 7 February have lessened. Although we saw good Q1 performance, some uncertainties remain:

- During Q1, we were able to implement price increases in order to mitigate significantly higher costs. The impact on volumes and mix from the higher beer prices and continued high inflation in general remains uncertain, particularly in Europe.
- The impact of the war on our business in Ukraine is largely unchanged; however, the environment remains unpredictable.
- The uncertainty related to the COVID-19 recovery in China has diminished.

Consequently, we narrow the earnings guidance range for 2023:

- Organic growth in operating profit of -2% to +5% (previously -5% to +5%).

Based on the spot rates at 26 April, we assume a translation impact on operating profit of around DKK -800m for 2023 (previously around DKK -550m).

Financial expenses, excluding foreign exchange losses or gains, are now expected to be around DKK 650m (previously DKK 600m).

Other relevant assumptions remain unchanged:

- Reported effective tax rate of around 21%.
- Capital expenditure (CapEx) at constant currencies at around DKK 5.0bn.

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 6 for the full forward-looking statements disclaimer.

SHARE BUY-BACK

Due to the strong financial position the Group will today initiate a new quarterly share buy-back programme, with the intention of buying back Carlsberg B shares amounting to DKK 1.0bn up until 11 August 2023.

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 2024, 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 27 April to 4 August 2023.

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 13 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 2023:

| | |
|------------|--------------------------------|
| 16 August | H1 interim financial statement |
| 31 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.

VOLUME AND REVENUE DATA

Comparative figures for beer and other beverages have been restated to be aligned with the portfolio choices and priorities of SAIL'27.

| Q1 | 2022 | Organic | Change | | 2023 | Change Reported |
|-------------------------------------|---------------|--------------|-------------|--------------|---------------|-----------------|
| | | | Acq., net | FX | | |
| Beer (million hl) | | | | | | |
| Western Europe | 6.1 | -2.7% | 0.0% | - | 5.9 | -2.7% |
| Asia | 11.2 | 6.3% | 0.0% | - | 11.9 | 6.3% |
| Central & Eastern Europe | 5.2 | 0.3% | 0.3% | - | 5.3 | 0.6% |
| Total | 22.5 | 2.5% | 0.1% | - | 23.1 | 2.6% |
| Other beverages (million hl) | | | | | | |
| Western Europe | 3.0 | 2.3% | 0.0% | - | 3.2 | 2.3% |
| Asia | 1.7 | -4.4% | 0.0% | - | 1.6 | -4.4% |
| Central & Eastern Europe | 0.7 | 5.7% | 8.7% | - | 0.7 | 14.4% |
| Total | 5.4 | 0.6% | 1.0% | - | 5.5 | 1.6% |
| Total beverages (million hl) | | | | | | |
| Western Europe | 9.1 | -1.0% | 0.0% | - | 9.1 | -1.0% |
| Asia | 12.9 | 4.9% | 0.0% | - | 13.5 | 4.9% |
| Central & Eastern Europe | 5.9 | 0.9% | 1.2% | - | 6.0 | 2.1% |
| Total | 27.9 | 2.1% | 0.3% | - | 28.6 | 2.4% |
| Revenue (DKK million) | | | | | | |
| Western Europe | 6,959 | 11.5% | 0.0% | -3.0% | 7,551 | 8.5% |
| Asia | 6,023 | 12.4% | 0.0% | -7.0% | 6,347 | 5.4% |
| Central & Eastern Europe | 1,951 | 29.6% | 1.9% | -3.2% | 2,502 | 28.3% |
| Not allocated | 3 | n.m. | n.m. | n.m. | 5 | n.m. |
| Total | 14,936 | 14.2% | 0.2% | -4.6% | 16,405 | 9.8% |

APPENDIX

RESTATED 2022 FIGURES

Comparative figures for beer and other beverages have been restated to be aligned with the portfolio choices and priorities of SAIL'27. The restated figures for beer and other beverages for the regions and the Group are presented below.

| | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | H1 2022 | H2 2022 | 2022 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Beer (million hl) | | | | | | | |
| Western Europe | 6.1 | 8.9 | 8.3 | 6.6 | 15.0 | 14.9 | 29.9 |
| Asia | 11.2 | 12.2 | 12.2 | 6.4 | 23.4 | 18.6 | 42.0 |
| Central & Eastern Europe | 5.2 | 8.4 | 9.1 | 6.4 | 13.6 | 15.5 | 29.1 |
| Total | 22.5 | 29.5 | 29.6 | 19.4 | 52.0 | 49.0 | 101.0 |
| Other beverages (million hl) | | | | | | | |
| Western Europe | 3.0 | 4.1 | 3.8 | 3.6 | 7.1 | 7.4 | 14.5 |
| Asia | 1.7 | 1.7 | 1.5 | 1.4 | 3.4 | 2.9 | 6.3 |
| Central & Eastern Europe | 0.7 | 1.0 | 1.1 | 0.8 | 1.7 | 1.9 | 3.6 |
| Total | 5.4 | 6.8 | 6.4 | 5.8 | 12.2 | 12.2 | 24.4 |
| Total beverages (million hl) | | | | | | | |
| Western Europe | 9.1 | 13.0 | 12.1 | 10.2 | 22.1 | 22.3 | 44.4 |
| Asia | 12.9 | 13.9 | 13.7 | 7.8 | 26.8 | 21.5 | 48.3 |
| Central & Eastern Europe | 5.9 | 9.4 | 10.2 | 7.2 | 15.3 | 17.4 | 32.7 |
| Total | 27.9 | 36.3 | 36.0 | 25.2 | 64.2 | 61.2 | 125.4 |
| Revenue (DKK million) | | | | | | | |
| Beer revenue | | | | | | | 51,825 |
| Other beverages | | | | | | | 17,569 |
| Other revenue | | | | | | | 871 |
| Total revenue | | | | | | | 70,265 |