FY 2023 AIDE MEMOIRE

A number of events in 2022 and 2023 have an impact on the year-on-year comparison for Q4, H2 and FY 2023. 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, H2 and FY 2023 versus the same period last year.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

At the Q3 2023 conference call, we commented on the volume development:

"…led to an organic volume decline of 5.2%. We roughly estimate that about one-third of the volume decline was due to consumer sentiment and two-thirds was due to weather. And that is good weather in August last year and bad weather in July and August this year."

…and commented on the European consumer behavior:

"…if you look at the month of September where weather was actually good, we still saw on trade performing worse than off trade, which could indicate that the high inflation is impacting consumer behavior. And so, we are cautious around European consumer. We don't see a deterioration from here. That's not the point. But we don't think anyone should expect a significant bounce back in terms of European consumer behavior in the coming months."

In the Q3 2023 announcement we commented on the extraordinary revenue impact from the termination of the Kronenbourg license in the UK:

"Revenue per hectoliter was also inflated by the termination of the Kronenbourg licensee agreement in the UK. The previous licensee will continue to produce until early 2024, and until then our revenues will include excise duty. In Q3, these amounted to approximately DKK 170 million or approximately 2 percentage points of the revenue per hectoliter improvement."

Asia

At Q3 2023 conference call, we commented on China:

"Our Chinese business delivered 5.6% volume growth, and we were significantly outperforming the Chinese market that declined around 5% to 6% for the quarter. The volume growth was supported by increased domestic tourism and growth for both the premium portfolio, which grew by 4%, and core mainstream brands."

…and continued:

"*We strengthened our market share, thanks to expanded distribution and strong growth for Carlsberg, Tuborg and local brands such as Wind Flower Snow Moon, WuSu, Dali and Chongqing."*

At the Q3 2023 conference call, we also commented on the overall volume development in Asia:

"… we saw very good volume growth in China and India, while regional volumes were particularly impacted by lower non-beer volumes in Cambodia. The other markets in the region were negatively impacted by the knock-on effect of the economic situation in China, particularly towards the end of the quarter."

… elaborated on the expected impact of the macroeconomic impact in south-east Asia:

"What we see right now is a clear impact from the Chinese overall macroeconomic slowdown that is impacting the Southeast Asian economies. And you've seen that evidently and how the markets have reacted…. the countries that have suffered from this macroeconomic slowdown, we do expect most of those trends to continue into Q4, but not any dramatic step change as such."

… and explained the impact of Cambodia on regional volumes:

"…when we look at non-China volumes in Asia, Cambodia was more than 80% of the decline that we're seeing in volume. So Cambodia is clearly very significant here and we were very open around the fact that it's – we saw a very tough consumer environment and increased competition that impacted the Sting energy brand and the soft drinks category in Cambodia. And therefore, we saw quite a significant decline in volumes there. So Sting did have a quite a significant impact in the quarter. You asked specifically how much Cambodia constitutes of the non-beer volume in Asia. I can't give you the exact number, but it is quite significant. It's around 40% to 50% of the Asian non-beer volumes that comes out of Cambodia."

At the Q3 2023 conference call, we commented on the revenue/hl development:

"Revenue per hectoliter improved by 2%, mainly due to solid growth of premium brands and high inflation in Laos, partly offset by a negative country mix."

Central and Eastern Europe

At Q3 2023 conference we commented on the volume development in Ukraine:

"The volume development differed between markets. In Ukraine, our volumes were down by high single digits, impacted by the war and the return of more competition in the market."

In the Q3 announcement, we commented on revenue/hl for the region:

"The strong revenue per hectoliter development was positively impacted by price increases taken to offset the inflation in our cost base and a positive mix in many markets and negatively by an adverse country mix."

Pricing and costs

At the Q3 2023 conference call, we commented on costs and prices:

"…we have seen significant cost increases across the base this year. And when we look into 2024, we are still seeing the overall envelope of cost across all categories to be increasing, not decreasing. And as a consequence, we do not expect to see price declines. On the other hand, you would expect us to, of course, make sure that we are protecting our profitability and reflecting that in our pricing. So it's an unchanged approach from us in terms of being disciplined around making sure that we cover our cost via our pricing."

… gave a few additional comments on 2024:

"…as we said before, we referred to, it is unlikely that we see a meaningful decline in COGS per hectoliter in 2024. And actually, even though those commodities are remaining unhedged 40%, our best guess currently is that it will be flattish cost per hectoliter from that point of view."

… and continued:

"And we do continue to see other costs also increase, such as salaries, sales and marketing and logistics."

OUTLOOK

In the Q3 2023 announcement, we stated:

The trading environment in Europe remains uncertain because of weak consumer sentiment. While Q4 comparables for China are favourable because of the extended COVID-related lockdowns in Q4 2022, the weak macro environment in Southeast Asia is likely to continue to impact beer markets negatively.

Nevertheless, compared with our previous expectation, we have decided to increase our commercial investments in the remainder of the year by an additional around DKK 200m to support our key growth priorities.

Against this background, we maintain our earnings expectations for 2023:

- Organic growth in operating profit of 4-7%.

Based on the spot rates at 30 October, we assume a translation impact on operating profit of around DKK -900m for 2023 (unchanged).

Financial expenses, excluding foreign exchange losses or gains, are now expected to be around DKK 750m (previously around DKK 700m).

The expectation regarding a reported effective tax rate of around 21% is unchanged.

Capital expenditure is now expected to be around DKK 4.5bn (previously DKK 5.0bn).

At the Q3 2023 conference call, we elaborated on the 2023 outlook:

"The guidance includes an expectation of a low double digit percentage increase in COGS per hectoliter for half two. It also includes an expected increase in commercial investments, both compared to half one and last year, as well as our recent decision to further increase commercial investments by around DKK 200 million in the remainder of the year in support of growth categories including premium, alcohol-free and beyond beer as well as growth opportunities in Asia."

Financing

On 25 September 2023, we issued two new bonds:

"Carlsberg Breweries A/S has today successfully placed 5-year EUR notes for a principal amount of EUR 700m with a coupon of 4.000% and 10-year EUR notes for a principal amount of EUR 600m with a coupon of 4.250%."

"The proceeds of the offering will be used for general corporate purposes and repayment of other debt."

Russian accounting treatment

In the Q3 2023 announcement, we stated:

"As a result of the presidential decree, Baltika Breweries was deconsolidated in July. As the investment no longer met the accounting definition of an equity investment, it was subsequently reclassified as a receivable against the Russian government.

The deconsolidation resulted in non-cash reclassification adjustments to the income statement comprising accumulated currency translation losses of DKK 40.9bn and hedge losses of DKK 0.6bn. There was no impact on the Group's total equity.

The receivable has been written down to zero. The write-down has been recognised in the net result from Russian operations held for sale and is in addition to the impairments of DKK 1.2bn reported in the H1 financial statement. Total write-downs recognised in the net result from Russian operations held for sale amount to DKK 7.0bn."

DISCLAIMER

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.