Q1 2024 AIDE MEMOIRE

A number of events in 2023 and 2024 have an impact on the year-on-year comparison for Q1 and FY 2024. 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 and FY 2024 versus the same period last year.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

In the Q1 2023 announcement, we stated:

"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."

At the FY conference call we commented on the volume outlook for the year:

"Correct. I've said in an interview this morning that we see a stable to slightly growing volumes in Western Europe. And that's due to a couple of things; due to easy weather comps in Q3, of course, that could be wrong if the weather is at the same horrendous level in 2024 as it was in 2023, but we do expect to see some tailwind from easier weather comps; and then we do expect some improvement in consumer sentiment during the year from real wage growth, as inflation is coming down and people are starting to see some real wage growth. The third element is we have some major sporting events in Europe in 2024 that does impact activation across Europe. That's of course the Football European Championships in Germany and the Olympics in France…"

Asia

In the Q1 2023 announcement, we stated:

"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."

At the FY 2023 conference call we were asked about the macroeconomic risk in Southeast Asia:

"*…in terms of overall consumer sentiment, we're not seeing a step change, neither for the worse or for the better right now. So, we are seeing – we're entering 2024 with roughly the same consumer sentiment as we exited 2023. One is of course a key driver here is the overall Chinese economy, which has ripple effects into a number of key Southeast Asian countries that are important for us. So, when we look at weakness that we've* *seen in a number of markets, Vietnam could be an example, but a number of the markets surrounding China, part of that is also the effect of the Chinese economy slowing down."*

…and continued:

"But for now, it's just subdued consumer in Southeast Asia, not deteriorating further.…"

At the FY 2023 conference call we commented on China:

"…on China. So, in terms of more underlying market trends in the short term, we don't see a step change in terms of the Chinese consumer suddenly coming back. We're seeing a relatively unchanged consumer environment in China. As you've seen, that has meant a declining beer market last year in the second half of the year. We don't see a deterioration either from here, but there's no doubt that we're not seeing any particular pick up. We are cautiously optimistic that that will stabilize during the year."

Central Eastern Europe & India

In the Q1 2023 announcement, we stated:

"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."

OUTLOOK

In the FY 2023 announcement, we stated:

"*While the macroeconomic environment and impact on consumer behaviour remain uncertain, inflationary pressure is moderating. Consequently, we expect a more moderate increase in our total cost base than in previous years. We intend to offset the higher total costs/hl in absolute terms through higher revenue/hl and continued tight cost control.*

To position the Group for successful delivery of our increased long-term growth ambitions, we will step up commercial investments in 2024 in alignment with Accelerate SAIL. While keeping the ratio of SG&A to revenue flat, we intend to increase absolute sales and marketing investments, the latter by more than 10%. The majority of the incremental sales and marketing investments will be allocated to brand and route-to-market investments in China and Vietnam, premium brands in markets across our regions, digital capability projects and B2B e-commerce (eB2B).

Consequently, our earnings expectations for 2024 are:

- *Organic operating profit growth of 1-5%.*

Based on the spot rates at 6 February, we assume a translation impact on operating profit of around DKK -100m for 2024.

Other relevant assumptions are:

- *Financial expenses, excluding foreign exchange losses or gains, of DKK 1.1bn.*
- *Reported effective tax rate of around 21%.*
- *Capital expenditure of around DKK 5bn, impacted by capacity expansion in Asia, commercial investments across the Group, sustainability and digital investments."*

At the FY conference call we added:

"Although the input cost pressure is moderating, we do see inflation in our total cost base in 2024. And while our guidance is based on flattish COGS per hectoliter, several other items, such as salaries and logistic costs, will increase. The increase in total costs will require us to increase revenue per hectoliter in most markets."

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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.