

Interim Report for 1 January–30 June 2021 (H1)

Strong momentum in Q2 and full-year guidance raised

- For the first half of the financial year, organic volume growth was 13% (Q2: 12%) supported by less restrictions related to COVID-19 in H1 2021 compared to H1 2020. As a result, organic revenue growth in H1 2021 was also 13% (Q2: 16%)
- In Q2 2021, EBIT increased by 13% to DKK 521 million (Q2 2020: DKK 463 million), resulting in an EBIT margin of 22.7% (Q2 2020: 23.4%)
- For the first half of the year, EBIT increased by 13% to DKK 750 million (H1 2020: DKK 663 million), resulting in an EBIT margin of 19.2% (H1 2020: 19.2%). EBIT is thereby 6% higher than in H1 2019, i.e. before COVID-19 broke out
- Free cash flow increased by DKK 123 million and was DKK 785 million (Q2 2020: DKK 662 million) increasing first-half free cash flow to DKK 683 million (H1 2020: DKK 590 million)
- The outlook for full-year 2021 EBIT is raised to DKK 1,625-1,700 million (previously: DKK 1,525-1,625 million)
- A new share buy-back program of up to DKK 250 million is launched

SELECTED FINANCIAL HIGHLIGHTS AND KEY RATIOS

mDKK	Q2 2021	Q2 2020	H1 2021	H1 2020
Volume (thousand hectolitres)	3,421	3,053	5,957	5,269
Net revenue*	2,300	1,979	3,905	3,457
EBITDA	609	546	927	833
EBITDA margin [%]*	26.5	27.6	23.7	24.1
EBIT	521	463	750	663
EBIT margin [%]*	22.7	23.4	19.2	19.2
Profit before tax	526	460	749	648
Net profit for the period	417	360	594	505
Free cash flow	785	662	683	590
Net interest-bearing debt			2,618	2,114
ROIC incl. goodwill [%]**			21	18
ROIC excl. goodwill [%]**			34	29
NIBD/EBITDA (times)**			1.3	1.2
Equity ratio [%]			32	40

* Figures are restated (more restated figures in Appendix 1) ** Running 12-months

CEO Lars Jensen comments: *"I am of course very happy that almost all sales channels are now open again, so that we and our customers can return to a more normal environment. We are also very pleased with our performance in Q2 where EBIT was the highest ever for a second quarter, despite substantial increases in sales and marketing costs and the business still being negatively impacted by COVID-19. The organization has once again stepped up to all the challenges, and supported by a very flexible and adaptable supply chain, we delivered strong results across the group. Our results clearly benefited from the re-opened On-Trade, warm weather and staycation.*

Q2 was a very busy quarter. We produced and sold more than we did before COVID-19, despite the fact that many of our customers were still impacted by COVID-19 related restrictions. On top of this, the channel and product mix changes created by COVID-19 put pressure on our packaging lines, which have been running at full capacity during the second quarter and into the summer. To remain a flexible supplier with the highest service level, we will invest in more capacity, but for now, production and procurement planning is more important than ever.

We also broke ground on a new solar panel plant next to our brewery in Faxø, which will generate a significant part of our electricity needs for the Danish production sites. During the quarter, we committed to 100% recycled plastic for PepsiCo products in Denmark by the end of 2022 - a commitment we in July expanded to include our Finnish PepsiCo business, as well.

During the second quarter, we also welcomed our new colleagues from the Fuglsang acquisition, which is a strong addition to our portfolio of local anchored brands in Denmark. With the acquisition of Crazy Tiger in France at the beginning of Q3 and the agreement to acquire 100% of Solera Beverage Group in Norway (awaiting regulatory approval), I believe we are very well positioned to continue to grow.

Strong momentum in our key markets has continued into the third quarter and combined with the strong results in the first half of the year, the current development in COVID-19 and our M&A activity, we lift our full-year outlook for EBIT to DKK 1,625-1,700 million. The biggest risk remains COVID-19 and potential new imposed restrictions."

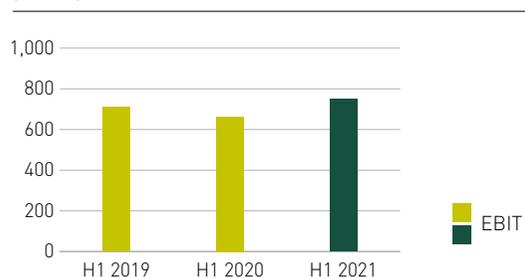
Financial highlights

The organic volume growth of 12% to 3.4 million hectolitres in Q2 2021 was broadly based across geographies. Volumes increased significantly in countries like Denmark and Germany, Finland, Italy and North America, helped by less restrictions in On-Trade and on the border between Denmark and Germany, as well as good weather, especially in June. For H1 2021, volumes showed an organic increase of 13% and amounted to 6.0 million hectolitres compared to 5.3 million hectolitres in H1 2020.

Net revenue for Q2 2021 amounted to DKK 2,300 million compared to DKK 1,979 million for Q2 2020. Growth was driven by the re-opening of the On-Trade channel, which was impacted by stricter COVID-19 regulations in Q2 2020. Net revenue for H1 2021 amounted to DKK 3,905 million (H1 2020: DKK 3,457 million).

Earnings before interest and tax (EBIT) for Q2 2021 was DKK 58 million higher than in Q2 2020 and amounted to DKK 521 million (Q2 2020: DKK 463 million). The EBIT margin decreased by 0.7 percentage point to 22.7%. The EBIT margin was impacted by significantly higher commercial investments and a normalization of administration costs.

EBIT H1
(mDKK)



In H1 2021, EBIT was DKK 87 million higher than in H1 2020 and amounted to DKK 750 million (H1 2020: DKK 663 million). This is actually 6% higher than in H1 2019 (before COVID-19), despite negative impacts from restrictions in all markets. In fact, our business is at all levels stronger than before COVID-19, which proves the resilience of our strategy and business model as well as our ability to navigate safely through a crisis.

The EBIT margin was unchanged at 19.2% in H1 2021. The EBITDA margin decreased by 0.4 percentage point to 23.7% in H1 2021 compared to the year before.

The free cash flow for H1 2021 amounted to DKK 683 million compared to DKK 590 million for H1 2020 and was positively impacted by higher activity across geographies as well as changed payment terms on excise duty payments in Finland.

In H1 2021, net interest-bearing debt increased by DKK 425 million (H1 2020: decreased by DKK 592 million) compared to year-end. The development in net interest-bearing debt compared to last year was primarily driven by DKK 954 million higher distribution to shareholders than in H1 2020 where the announced share buy-back, as well as the ordinary dividend was suspended. Calculated on a running 12-month basis, NIBD/EBITDA was 1.3x (H1 2020: 1.2x) and ROIC excluding goodwill was 34% (H1 2020: 29%).

The Board of Directors has decided to launch a new share buy-back program of up to DKK 250 million running to the end of 2021. Together with the share buy-back program executed in H1 2021, the total expected share buy-back for 2021 will be up to DKK 500 million.

Acquisitions

The acquisition of Bryggeriet S. C. Fuglsang A/S contributed only slightly to the quarter.

On 1 July 2021, Royal Unibrew agreed to acquire 100% of Solera Beverage Group. The acquisition awaits regulatory review, which is expected during Q3 2021. Solera Beverage Group is being acquired at an enterprise value of around DKK 770 million (NOK 1.1 billion) on a debt free basis. Solera Beverage Group has around 150 employees and generates a normalized net revenue (excluding COVID-19 effects) of around DKK 1.3 billion and a normalized EBITDA of around DKK 70 million.

On 7 July 2021, Royal Unibrew acquired 100% of MC Energy, which owns the energy drink brand Crazy Tiger. The company is acquired at an enterprise value of around DKK 610m (EUR82m) on a debt free basis. The company has around 25 employees and an EBIT margin that is higher than the average for the rest of the group.

Full-year outlook

The full-year outlook for 2021 is raised:

- EBIT: DKK 1,625-1,700 million (previously: DKK 1,525-1,625 million).

The strong momentum experienced in H1 2021 in our key markets has continued into the beginning of Q3 2021 supported by the continued re-opening and a positive impact from staycation. The top end of guidance includes that no major restrictions are imposed and that the re-opening continues throughout the year. It also includes positive impact from acquisitions in H2 and no further raw material price increases. On the other hand, the low end of guidance includes higher raw material prices than the current level as well as wider COVID-19 related restrictions in Q4.

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Profile

Royal Unibrew is a leading regional multi-beverage company providing strong brands to our main markets Denmark, Finland, Norway, Sweden, Italy, Germany, France and the Baltics, as well as to more than 65 countries in the rest of the world.

We serve our consumers by offering high quality beverages within beer, malt beverages, soft drinks as well as ciders, ready-to-drink, juice, energy, water products and wine and spirits in selected markets.

In addition to our own brands, we offer license-based international brands of the PepsiCo and Heineken Groups in Northern Europe, as well as partner brands on trading goods basis.

We are facilitating great moments and enjoyment for our consumers and creating valuable partnerships with our customers - always in a responsible way.

Financial Highlights and Key Ratios

	H1 2021	H1 2020	H1 2019	Q2 2021	Q2 2020	FY 2020
Sales (thousand hectolitres)	5,957	5,269	5,462	3,421	3,053	11,093
INCOME STATEMENT (MDKK)						
Net revenue*	3,905	3,457	3,670	2,300	1,979	7,315
Earnings before interest, taxes, depreciation and amortization (EBITDA)	927	833	879	609	546	1,861
<i>EBITDA margin (%)</i>	23.7	24.1	24.0	26.5	27.6	25.4
Earnings before interest and tax (EBIT)	750	663	710	521	463	1,515
<i>EBIT margin (%)</i>	19.2	19.2	19.3	22.7	23.4	20.7
Income after tax from investments in associates	15	4	9	14	6	33
Other financial income and expenses, net	-16	-19	-19	-9	-9	-43
Profit before tax	749	648	700	526	460	1,505
Net profit for the period	594	505	541	417	360	1,198
BALANCE SHEET (MDKK)						
Non-current assets	7,123	6,974	7,099			7,015
Total assets	9,101	8,837	8,907			8,306
Equity	2,889	3,545	2,663			3,332
Net interest-bearing debt	2,618	2,114	3,000			2,193
Net working capital	-990	-650	-749			-875
Invested capital	5,908	6,076	6,068			5,927
CASH FLOWS (MDKK)						
Operating activities	885	702	715	900	707	1,738
Investing activities	-202	-112	-370	-115	-45	-324
Free cash flow	683	590	612	785	662	1,414

	H1 2021	H1 2020	H1 2019	Q2 2021	Q2 2020	FY 2020
SHARE RATIOS (DKK PER SHARE OF DKK 2)						
Earnings per share (EPS)	12.3	10.1	10.9	8.6	7.1	24.1
Free cash flow per share	14.2	12.0	12.3	16.3	13.3	28.8
Dividend per share						13.5
Period-end price per share	798.8	551.8	479.0			706.6
FINANCIAL RATIOS						
Free cash flow as a percentage of net revenue (%)	17	17	16	34	33	19
Cash conversion (%)	115	117	113	188	184	118
Net interest-bearing debt/EBITDA**	1.3	1.2	1.7			1.2
Equity ratio (%)	32	40	30			40

* The IFRS 15 accounting policy has been reassessed concerning customer contracts. This means that some costs related to the customer contracts has been reclassified to rebates and hence reduced the net revenue.

** Running 12-months

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society's Committee for accounting standards have been calculated according to the recommendations..

Definitions of financial highlights and ratios are provided in the annual report 2020

Non-financial highlights and ratios^{a)}

		H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Production figures						
Production sites		9	9	9	9	9
Production volume, total	million hl	5.7	5.1	3.1	2.7	10.6
Environment & Climate						
Purchased Electricity	GWh	40.8	38.1	22.1	19.4	79.1
Natural gas	GWh	51.7	45.5	25.0	20.6	88.3
Purchased heat/steam/cooling	GWh	17.9	16.4	7.1	6.2	30.6
Other	GWh	0.8	1.6	0.3	1.2	2.8
Energy, total	GWh	111.2	101.5	54.5	47.4	200.8
CO ₂ from production, excl. transportation (location based) scope 1 and 2*	million kgCO ₂	19.7	18.1	9.6	8.4	35.7
CO ₂ from production (market based) scope 1+2**	million kgCO ₂	13.9	12.1	6.3	5.4	24.2
Total water consumption	million hl	17.1	15.9	9.2	7.9	33.3
Total amount of wastewater discharged	million hl	11.1	10.4	6.0	5.1	22.3
Hazardous waste	million kg	0.02	0.02	0.01	0.09	0.1
Landfilled waste	million kg	0.2	0.2	0.1	0.1	0.9
Incinerated waste	million kg	0.3	0.3	0.2	0.2	0.7
Recycled waste	million kg	2.4	2.1	1.2	1.1	5.0
Other waste***	million kg	1.2	0.4	0.8	0.2	0.5
Solid Waste, total	million kg	4.1	3.1	2.4	1.5	7.2
Spent grain & yeast	million kg	39.5	33.0	21.0	17.0	76.8
Relative production figures						
Energy total	kWh/hl	19.5	20.0	17.5	17.6	18.9
CO ₂	Kg CO ₂ /hl	3.5	3.6	3.1	3.1	3.4
Water	hl/hl	3.0	3.1	3.0	2.9	3.1

^{a)} The ESG scope does not yet include the latest acquisitions Bryggeriet S. C. Fuglsang A/S and MC Energy, as we are working on integrating the data.

		H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Packaging material****						
Cans	%	43.9%	40.2%	43.1%	41.2%	41.7%
RGB	%	2.4%	2.8%	2.7%	2.8%	2.9%
NRGB	%	8.8%	7.9%	8.8%	7.6%	7.9%
PET	%	35.8%	38.3%	35.8%	39.7%	36.8%
KEGS	%	1.3%	1.7%	1.9%	1.1%	1.9%
Bulk	%	0.1%	0.3%	0.2%	0.1%	0.2%
Other	%	7.5%	8.7%	7.5%	7.5%	8.5%
People well-being & development						
Occupational Health & Safety						
Total number of lost-time incidents (LTIs)	Number	23	26	12	14	56
Lost time incident frequency		10.8	13.0	10.9	14.6	13.7
Number of Lost days	Days	513	929	235	401	2070
Lost day rate		241	466	214	419	506
Fatalities	Number	0	0	0	0	0
Employee engagement						
Employee turnover	%	7.1%	-	-	-	15.3
Leave of absence due to illness (not work related)	%	2.8%	-	-	-	3.7
Diversity*****						
Percentage of employees by gender, total						
Female	%	25 %	-	-	-	24
Male	%	75 %	-	-	-	76
Employees by gender, Int. Management teams						
Female	%	32	-	-	-	33
Male	%	68	-	-	-	67

* Location based: Calculated CO₂ emission based on IEA country factors

** Market based: Subtracting CO₂ emission covered by green certificates

*** Other waste: Discarded product utilized for bioenergy

**** Packaging material: New calculation based on hl volume

***** Data not collected per quarter

Management's Review

Business Development

The underlying momentum throughout our business remained strong in Q2 2021. In general, the On-Trade channel has experienced an ongoing re-opening but was still restricted in Q2 2021 on opening hours, gathering restrictions etc., and the re-opening has therefore happened at a slower pace than we initially expected at the beginning of the year. Most of our key markets are getting back close to what was normal, although nightlife and big events are still not back to pre-COVID-19 levels. Throughout the re-opening of the On-Trade channel, the Off-Trade channel has maintained a strong momentum, although decreasing compared to recent quarters.

The higher activity in the On-Trade channel combined with higher consumer mobility compared to Q2 last year has resulted in a strong positive channel mix in the quarter across all markets. We have also seen a continued strong demand in our focus areas, with particularly high growth in energy drinks, RTD and in low and no sugar/alcohol.

In May 2021, we acquired the Danish regional brewer Fuglsang, which has a strong presence in the southern part of Jutland, especially within the On-Trade. The acquisition secures a significantly stronger position in this part of Denmark, and adds a strong local brand portfolio within beers and soft drinks, and with a potential from which we can benefit in the rest of the country. The integration of Fuglsang is progressing as planned.

As to the innovation, we launched a alcohol-free version of our iconic Original Long Drink in Finland. It is the first alcohol-free variant and comes in two flavors; grapefruit and ginger. The 0% Long Drink is made from the same ingredients as the original one but without alcohol to meet the increasing demand for non-alco alternatives. In June, the Finnish organization also launched a plant based enhanced water version; *Novelle Pro*.

In May 2021, Royal Unibrew hosted the World's largest virtual beer tasting event, which was broadcasted live during four hours on national TV and afterwards recorded in the Guinness Book of World Records. This is an example of how we support our customers and local societies, as the event promoted and sold beers for the beer tasting from 12 different breweries.

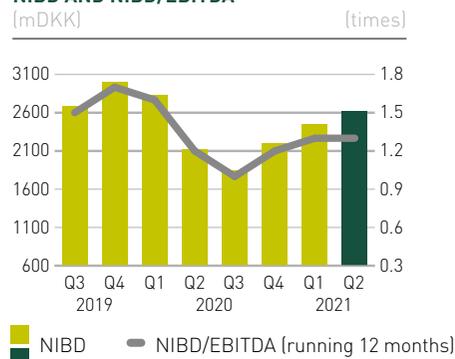
In H1 2021, our Italian business launched a new energy drink under the brand Lemonsoda Energy Activator in three fruit based flavors. The launch is progressing according to plan and is gaining market shares and distribution as expected.

In H1 2021, and especially in Q2 2021, growth initiatives were supported by a significantly higher level of sales and marketing activities, partly because of the re-opened On-Trade, and partly as a result of increased investments behind our selected growth focus areas.

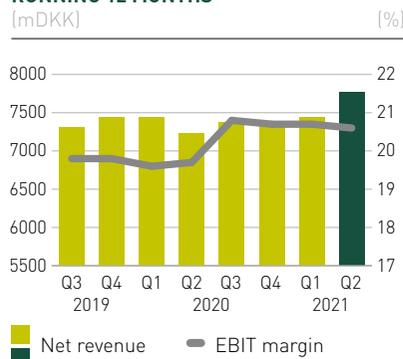
EBITDA AND EBITDA MARGIN



NIBD AND NIBD/EBITDA



REVENUE AND EBIT MARGIN RUNNING 12 MONTHS



The EBITDA margin decreased by 0.4 percentage point to 23.7% in H1 2021 and by 1.1 percentage point to 26.5% in Q2 2021.

ESG development

The overall ESG performance has improved compared to the same period last year. However, when looking at efficiency measured as kWh and CO₂ per produced unit, the performance is below FY 2020, which is mainly explained by the colder months in H1 2021. We expect it will be levelled out in H2 2021. Our lost time incident frequency has decreased in H1 2021, and we are thus back at 2019 level.

We are on track with the plans for implementation of the sustainable strategy launched in March 2021. Mentionable is our aspiration to be 100% CO₂ emission free on our production sites in 2025. To reach that target, we have established concrete actions in all our markets; as an example, we have just initiated construction of a Solar Park in Faxø, Denmark. The park is expected to be completed in 2023 and will have a total production of 14,500 MWh per year. This corresponds to 60% of Royal Unibrew's total electricity consumption in Denmark or more than 3,500 detached houses.

Our goals of reducing the supply chain emissions (scope 1, 2 and 3) by 50% in 2030 and of 100% recycled, recyclable, and reusable packaging by 2025 are reflected in our commitment together with our partner PepsiCo to increase the amount of recycled material in our PET bottles. By the end of 2022, we will deliver all PepsiCo products in 100% recycled PET.

Status on share buy-back program

On 3 March 2021, Royal Unibrew launched a share buy-back program of up to DKK 250 million for the period from 4 March 2021 to 30 June 2021 with the aim to adjust the capital structure of Royal Unibrew A/S. The share buy-back program was completed on 29 June 2021 with an accumulated 339,859 shares acquired under the program at a total cost of DKK 250 million. The share buy-back program was carried out in accordance with the "Safe Harbour" method.

At Royal Unibrew A/S' Annual General Meeting on 28 April 2021 a resolution was adopted to reduce the Company's share capital by a nominal amount of DKK 1,100,000 from nominally DKK 98,700,000 to DKK 97,600,000 by cancelling 550,000 treasury shares of a nominal value of DKK 2 each. After the cancellation of treasury shares and including the completed share buy-back program, the Company's holding of treasury shares represents 557,299 number of shares (of nominally DKK 2), corresponding to 1.1% of the Company's total share capital.

Today, it has been decided that we will launch a new share buy-back program of up to DKK 250 million, which will run to the end of 2021.

Financial review

Income Statement

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change
Volumes, beverages (tHL)	3,421	3,053	12%	5,957	5,269	13%
Net Revenue (mDKK)	2,300	1,979	16%	3,905	3,457	13%
Gross Profit (mDKK)	1,178	980	20%	1,926	1,717	12%

Volumes for H1 2021 showed an aggregated sale of 6.0 million hectolitres of beverages, which was 13% higher than the same period in 2020.

Net revenue for H1 2021 also increased by 13% and amounted to DKK 3,905 million compared to DKK 3,457 million for the same period in 2020. The net revenue increased in all segments and was positively affected by eased COVID-19 restrictions.

The gross profit for H1 2021 was DKK 209 million above the H1 2020 figure and amounted to DKK 1,926 million equivalent to a 12% increase (Q2 2021: 20%). The gross margin was 0.4 percentage points below the H1 2020 margin (Q2 2021: 1.7 pp) and represented 49.3% compared to 49.7% for H1 2020. Gross profit per volume unit was 1% lower (Q2 2021: 7% higher) than in 2020.

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change
Sales and distribution expenses (mDKK)	547	438	25%	976	896	9%
Administrative expenses (mDKK)	110	79	39%	200	158	27%

Sales and distribution expenses for H1 2021 were DKK 80 million higher than the same period in 2020 and amounted to DKK 976 million compared to DKK 896 million for H1 2020.

Administrative expenses for H1 2021 showed a DKK 42 million increase compared to the same period in 2020 and amounted to DKK 200 million compared to DKK 158 million for H1 2020. The underlying administrative expenses were normalized, but total administrative expenses have been negatively affected by cost to advisors in relation to the three acquisitions.

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change
EBITDA (mDKK)	609	546	12%	927	833	11%
EBIT (mDKK)	521	463	13%	750	663	13%
Income after tax from investments	14	6	133%	15	4	275%
Net financial expenses	-9	-9	0%	-16	-19	-16%

Earnings before interest, tax, depreciation and amortization (EBITDA) for H1 2021 showed a DKK 94 million increase and amounted to DKK 927 million compared to DKK 833 million for H1 2020. In Q2 2021, EBITDA increased by DKK 63 million compared to the same period in 2020. EBIT for H1 2021 amounted to DKK 750 million, which is DKK 87 million higher than the same period in 2020. The positive development in both EBITDA and EBIT is attributable to the Western Europe and International segment, while EBIT in the Baltic Sea segment decreased due to COVID-19 restrictions.

The EBIT margin for H1 2021 was 19.2%, which was identical with the EBIT margin realized in H1 2020.

Net Interest expenses for H1 2021 at DKK 16 million were 16% below H1 2020.

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change
Profit before tax (mDKK)	526	460	14%	749	648	16%
Tax on profit (mDKK)	-109	-100	9%	-155	-143	8%
Net profit (mDKK)	417	360	16%	594	505	18%
Earnings per share (DKK)	8.6	7.1	21%	12.3	10.1	22%

Profit before tax for H1 2021 was DKK 101 million higher than the same period in 2020 and amounted to DKK 749 million compared to DKK 648 million for H1 2020, equivalent to an increase of 16%.

Tax on the profit for H1 2021 was an expense of DKK 155 million. The tax has been calculated on the basis of an expected full-year tax rate of approx. 22% on the profit, excluding income after tax from investments in associates.

The net profit for H1 2021 amounted to DKK 594 million, which is DKK 89 million higher compared to H1 2020 figure, equivalent to an increase of 18%.

The earnings per share in H1 2021 increased to DKK 12.3 per share compared to 10.1 for the same period in 2020, equivalent to an increase of 22%.

Balance Sheet

The balance sheet amounted to DKK 9,101 million at H1 2021 which is DKK 795 million above year end 2020. The increase is mainly borne by inventories and receivables increase by DKK 702 million compared to 31 December 2020 due to normal seasonality, net investments in property, plant and equipment increase by DKK 101 million and intangible assets received from smaller acquisitions increase with DKK 3 million. Decrease in cash reduced the total by DKK 31 million.

	H1 2021	H1 2020	% change	H1 2021	FY 2020	% change
Invested capital (MDKK)	5,908	6,076	-3%	5,908	5,927	0%

Invested capital decreased by DKK 19 million in the period from 31 December 2020 to 30 June 2021. ROIC excluding goodwill calculated on a running 12-month basis increased by 4.2 percentage point to 33.5% in H1 2021 due to higher EBIT in H1 2021 than in H1 2020. ROIC including goodwill increased by 2.4 percentage point to 20.7% by the end of H1 2020.

	H1 2021	H1 2020	Change %-point	H1 2021	FY 2020	Change %-point
ROIC incl. goodwill (running 12-months)	20.7%	18.3%	2.4%	20.7%	20.2%	0.5%
ROIC excl. goodwill (running 12-months)	33.5%	29.3%	4.2%	33.5%	32.6%	0.9%

Equity at the end of June 2021 amounted to DKK 2,889 million compared to DKK 3,332 million at the end of 2020. The change in H1 2021 equity consists of positive comprehensive income of DKK 600 million (H1 2020: 480 million) along with share based payment of DKK 2 million and was negatively affected by paid out dividend of DKK 657 million and share buy-back programs of DKK 332 million and an increase in liability from minority shares due to increased share holdings of DKK 56 million.

Compared to 31 December 2020, the equity ratio decreased by 8 percentage points in H1 2021 representing 32% at 30 June 2021.

	H1 2021	H1 2020	% change	H1 2021	FY 2020	% change
Net Interest Bearing Debt (NIBD)	2,618	2,114	24%	2,618	2,193	19%

Net interest-bearing debt for H1 2021 showed a DKK 425 million increase (H1 2020: decrease 592 million) and amounted to DKK 2,618 million compared to DKK 2,193 million end of year 2020. Increase in net interest-bearing debt comprised the positive free cash flow of DKK 683 million net DKK 3 million related to fixed asset investments, less dividend payments of DKK 657 million, share buy-back of DKK 332 million, DKK 48 million related to acquisitions and adjustment for DKK 74 million in net leasing facilities. The net interest-bearing debt to EBITDA ratio (running 12-months basis) was 1.3x (H1 2020: 1.2x).

Funds tied up in net working capital was DKK -990 million at the end of June 2021 (30 June 2020: DKK -650 million) compared to DKK -875 million at the end of 2020. Funds tied up in working capital thus decreased by DKK 115 million compared to end of 2020 (H1 2020: increase of DKK 21 million).

Funds tied up in inventories, trade receivables and trade payables showed an increase of DKK 232 million compared to end of 2020 (H1 2020: increase of DKK 370 million) due to the higher activity at the end of the period, whereas funds tied up in the other elements of working capital decreased by DKK 347 million (H1 2020: decrease of DKK 349 million).

Cash Flow Statement

Cash flows from operating activities for H1 2021 amounted to DKK 885 million (H1 2020: DKK 702 million) comprising DKK 929 million (H1 2020: DKK 837 million) of profit for the period adjusted for non-cash operating items, positive working capital cash flow of DKK 81 million (H1 2020: a negative DKK 21 million), net interest paid of DKK 16 million (H1 2020: DKK 19 million) and taxes paid of DKK 109 million (H1 2020: DKK 94 million). The increase in receivables and inventories was compensated for by the increase in payables, which caused the positive development in working capital in H1 2021.

The free cash flow for H1 2021 amounted to DKK 683 million, which was an increase of DKK 93 million compared to H1 2020. The free cash flow was positively impacted from changed payment terms of excises in Finland and extended tax payment terms.

In H1 2021, cash flows from operating activities showed a DKK 183 million increase compared to H1 2020 and net investments in property, plant and equipment showed a DKK 91 million increase. The decrease in net investments in property, plant and equipment comprised DKK 89 million higher gross investments and DKK 2 million lower revenues from asset divestments. Dividend received from associates increased DKK 2 million.

DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 APRIL - 30 JUNE 2021 BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	Baltic Sea	Inter- national	Un- allocated	Group 2021	Group 2020
Volumes (thousand hectolitres)	1,533	1,590	299	-	3,421	3,053
Growth (%)	21%	4%	18%	-	12%	-6%
Share of sales (%)	45%	46%	9%	-		
Net revenue (mDKK)	1,129	948	222	-	2,300	1,979
Growth (%)	23%	10%	13%	-	16%	-10%
Share of net revenue (%)	49%	41%	10%	-		
EBIT (mDKK)	271	210	44	-4	521	463
EBIT growth (%)	37%	-8%	2%	-	13%	-7%
EBIT margin (%)	24%	22%	20%	-	23%	23%

DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 JANUARY - 30 JUNE 2021 BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	Baltic Sea	Inter- national	Un- allocated	Group 2021	Group 2020
Volumes (thousand hectolitres)	2,585	2,748	624	-	5,957	5,269
Growth (%)	18%	6%	27%	-	13%	-4%
Share of sales (%)	43%	46%	10%	-		
Net revenue (mDKK)	1,876	1,575	454	-	3,905	3,457
Growth (%)	19%	6%	18%	-	13%	-6%
Share of net revenue (%)	48%	40%	12%	-		
EBIT (mDKK)	385	285	91	-11	750	663
EBIT growth (%)	44%	-11%	11%	-	13	-7%
EBIT margin (%)	21%	18%	20%	-	19%	19%

Outlook

The full-year 2021 EBIT outlook is raised to DKK 1,625-1,700 million (previously: DKK 1,525-1,625 million).

We update our EBIT outlook announced in April to:

mDKK	Outlook 2021 (August 2021)	Outlook 2021 (April 2021)	Outlook 2021 (March 2021)	Actual 2020
EBIT	1,625-1,700	1,525-1,625	1,475-1,625	1,515

This guidance is based on the full-year assumptions as presented in the outlook for 2021 set out in the 2020 annual report and thereafter adjusted in the Q1 2021 Trading Statement.

With a continued normalization of our markets, we continue to increase our sales and marketing expenses towards more normalized levels, build our brand equity further and invest in the opportunities we continue to see. Our strategic focus remains set on products with low and no sugar and alcohol, as well as premium and craft products. On top of this, we want to take advantage of the high growth in energy drinks and RTD/cocktails, as well as the continuing trend towards healthier beverages, which are benefiting our enhanced waters. We therefore continue to seek investments in the pockets of growth we see across categories and across our geographic footprint.

Raw material and freight costs have continued to increase through Q2 2021, and full-year EBIT will be negatively affected by approx DKK 75 million (included in guidance and increased from approx DKK 50 million) assuming that current spot prices are unchanged for the rest of the year. This effect will be significantly higher next financial year, as hedging done for 2022 better reflects spot prices through 2021, which have been significantly higher than the hedged levels for 2021.

The free cash flow headwinds of around DKK 200 million, which we expected for 2021 at the beginning of the year has all materialized, but the higher-than-expected growth across the business, as well as a change in payment conditions regarding Finnish excise duties mitigate these headwinds.

Outlook regarding acquisitions

The acquisition of MC Energy was closed in the beginning of July and the company will contribute to Royal Unibrew's results for almost six months in 2021. This should add around DKK 75 million in revenue to Royal Unibrew in 2021, and will contribute positively to EBIT in H2. We are planning to invest into innovation and commercial activity in the medium-term.

The acquisition of Fuglsang is also not expected to contribute significantly to earnings in 2021.

The potential acquisition of Solera Beverage Group will be margin dilutive for the group as stated in company announcement no 37/2021 of 1 July 2021. Depending on the timing of the clearance from competition authorities in Finland, we do expect a positive contribution to EBIT in H2 2021.

The very high sales growth across the group has led to some production capacity constraints, which clearly reduces scale benefits and the opportunities of efficiency improvements. We have also experienced and been challenged by the industry-wide lack of aluminum cans, which has been intensified by the higher COVID-19 related demand for this packaging type. The global shortage of transportation capacity, also caused by COVID-19, has also challenged our procurement and logistics organizations, which have worked hard to secure the flow of products around the world.

The above-mentioned challenges have continued into H2 2021, which means we will continue to be highly dependent on a continued flexible and responsive performance throughout the value chain.

The main risk on full-year guidance continues to be COVID-19. The low-end of guidance represents the risk of a negative development in COVID-19 with the risk of further restrictions and partly or full lockdowns of societies in the latter part of H2 2021. On the other hand, the top end of guidance is based on a continued re-opening of societies throughout the year as well as an approval of the Solera Beverage Group acquisition in Q3 2021. The full-year guidance range is at the top end based on raw material prices at current levels for the rest of the year, whereas the low end is based on further raw material price increases.

Developments in individual Market Segments

Western Europe

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change	FY 2020
Volumes, beverages (thousand hectolitres)	1,533	1,266	21%	2,586	2,191	18%	4,682
Net revenue, beverages (mDKK)	1,098	875	25%	1,806	1,514	19%	3,256
Net revenue (mDKK)	1,129	917	23%	1,876	1,580	19%	3,402
EBIT (mDKK)	271	198	37%	385	267	44%	687
EBIT margin (%)	24.0	21.6		20.5	16.9		20.2

The **Western Europe** segment comprises the markets Denmark, Germany, Italy and France. Western Europe accounted for 43% of group volumes and for 48% of net revenue in H1 2021 (H1 2020: 42% and 46%, respectively).

In Q2 2021, volumes increased by 21% in Western Europe compared to the same period in 2020, resulting in an 18% y/y increase in H1 2021. Net revenue increased by 23% in the quarter, meaning that net revenue for H1 2021 was 19% above 2020. The high growth rates are the results of the re-opening of the On-Trade, but also from good weather in June in Denmark.

The EBIT margin in Q2 2021 increased by 2.4 percentage points y/y to 24.0%, whereas EBIT for H1 2021 increased by DKK 118 million from DKK 267 million in 2020 to DKK 385 million in 2021. The EBIT margin increased by 3.6 percentage points to 20.5%. The increased profitability stems from a stronger channel mix from the re-opening of the On-Trade, but also from positive product and country mix.

In **Denmark and Germany**, the On-Trade business started to re-open in April, but still with restrictions on opening hours. Good weather in June, and supported by EURO2020, the On-Trade business had a relatively strong quarter. The On-Trade was closed during much of Q2 2020 when COVID-19 broke out in Europe, so the positive channel mix has benefitted results significantly.

Off-Trade sales continued to grow, as we continue to gain market shares in many categories. Growth was especially strong within soft drinks and energy. The border between Denmark and Germany has been open since late February and consumers have resumed the border trade.

In H1 2021, Royal Unibrew hosted the world's largest virtual beer tasting event with participation from 12 different microbreweries in Denmark each contributing with one of their beers. The tasting was broadcasted live and almost 17,000 consumers joined the four-hour long event.

Italy was the business most impacted by COVID-19 in H1 2020, as it has a relatively high share of On-Trade. It is therefore also the business that has benefitted relatively most from the re-opening of the On-Trade channel in 2021. Volumes and revenue more than doubled in the On-Trade, whereas strong execution in the Off-Trade also secured higher than group average growth in that channel. The Ceres beer portfolio outperformed a growing Italian beer market, and we do not see any signs of higher-than-normal stock levels at distributors in the market. The launch of our new energy drink, Lemonsoda Energy Activator, is going according to plan, and is gaining market share and distribution as expected.

In **France**, we continue to gain market shares in the lemonade market, where the Off-Trade soft drinks market has turned in to slight growth. We continue to focus on the roll-out of the Lorina brand in the convenience channel. In the beginning of July, we acquired MC Energy – an energy drinks company, which holds around 10% market share in the fast-growing energy drinks market. The acquisition marks the entry into one of the categories where we see strong growth opportunities across markets and at the same time adds a new category to our French business, thereby also being a next natural step in developing the French business towards a multi-niche market.

Baltic Sea

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change	FY 2020
Volumes, beverages (thousand hectolitres)	1,590	1,535	4%	2,748	2,586	6%	5,409
Net revenue (mDKK)	949	864	10%	1,575	1,493	5%	3,141
EBIT (mDKK)	210	229	-8%	285	322	-11%	675
EBIT margin (%)	22.1	26.5		18.1	21.6		21.5

The **Baltic Sea** segment comprises the markets in Finland and the Baltic countries (Lithuania, Latvia and Estonia) as well as some license business in Russia. Baltic Sea accounted for 46% of the group volumes and for 40% of net revenue for H1 2021 (H1 2020: 49% and 43% respectively).

In Q2 2021, volumes increased by 4% to 1.6 million hectoliters (Q2 2020: 1.5 million hectoliters), resulting in a 6% increase in H1 2021 to 2.7 million hectoliters (H1 2020: 2.6 million hectoliters). A positive price/mix in Q2 2021 leads to a 10% revenue growth in the quarter to DKK 948 million (Q2 2020: DKK 864 million), resulting in an increase in H1 2021 revenue of 5% to DKK 1,575 million (H1 2020: DKK 1,494 million). Growth was supported by exceptionally warm and sunny weather in June. EBIT for H1 decreased by DKK 37 million to DKK 285 million in 2021. The EBIT margin decreased by 3.4 percentage points to 18.1%. The result is impacted by substantially higher commercial investments than in 2020, meaning that despite the positive impact from the re-opening of the On-Trade, EBIT is not as high as last year.

In **Finland**, the re-opening is progressing as planned (with a few hiccups) after a full lockdown of the On-Trade channel in March resulting in a positive impact on price/mix in Q2 2021. On the contrary, the Convenience channel is heavily impacted by working from home resulting in a negative impact on channel mix. The growth in Finland is especially driven by beer and RTDs as well as energy, and we estimate that our market shares are unchanged across categories. The innovation speed has continued at a high pace in the Finnish business and during Q2 2021 we introduced a new plant-based enhanced water – one of the first of its kind in the world. This new Novelle Plus variant taps into the growing demand of healthy enhanced waters, a category we expect will expand further also outside of Finland. Tapping into the same demand trend is our new "0% Traditional Long Drink" without alcohol.

In the **Baltic countries**, volumes increased across all categories except beer in Q2 2021. Especially energy drinks sales grew and more than doubled in the quarter, while soft drinks, water and juice volumes grew double digit percentages. The strong top-line growth is driven by less COVID-19 related restrictions, although restrictions are eased slower than expected.

International

	Q2 2021	Q2 2020	% change	H1 2021	H1 2020	% change	FY 2020
Volumes, beverages (thousand hectolitres)	298	252	18%	624	492	27%	1,002
Net revenue (mDKK)	222	198	13%	454	385	18%	772
EBIT (mDKK)	44	43	1%	91	82	11%	171
EBIT margin (%)	19.8	21.8		20.0	21.3		22.2

The **International** segment comprises the export to and license business in international markets outside Denmark, Finland, Italy, France and the Baltic countries. In H1 2021, International accounted for 10% of the group volume and 12% of the net revenue (H1 2020: 9% and 11% respectively).

Volumes for H1 2021 showed a 27% increase, whereas net revenue increased by 18%. Growth was lower in Q2 2021 at 18% and 12%, respectively. The slowdown in growth rates was caused by difficulties in meeting demand for some products, as we have experienced production constraints throughout the quarter. We estimate that sell-out in the markets has increased significantly leading to a destocking in the trade bringing stocks below normal level.

EBIT for H1 2021 amounted to DKK 91 million which was DKK 9 million above the H1 2020 result. In Q2 2021, EBIT came in at DKK 44 million (Q2 2020: DKK 43 million), resulting in an EBIT margin of 19.8% (Q2 2020: 22.1%). The margin decline in H1 2021 is driven by investments into different growth opportunities, but also from higher logistic costs.

We continue to grow our beer business in Africa, the cider/RTD business in Asia, as well as our malt beverage business across our International footprint.

Management's Statement

The Executive Board and the Board of Directors have presented the Interim Report of Royal Unibrew A/S. The Interim Report has today been considered and adopted.

The Interim Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Group at 30 June 2021 as well as of the results of the Group operations and cash flows for the period 1 January – 30 June 2021.

In our Opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.

Faxe, 23 August 2021

Executive Management

Lars Jensen
President & CEO

Lars Vestergaard
CFO

Board of Directors

Walther Thygesen
Chairman

Jais Valeur
Deputy Chairman

Martin Alsø

Torben Carlsen

Einar Esbensen Nielsen

Heidi Kleinbach-Sauter

Claus Kærgaard

Peter Ruzicka

Christian Sagild

Catharina Stackelberg-Hammarén

For further information on this Announcement:

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Tuesday, 24 August 2021, at 9.00 am CEST by audiocast at the following telephone numbers:

Participants from Denmark: +45 35 44 55 77
Participants from the UK: +44 (0) 3333 000804
Participants from the USA: +1 6319131422
Confirmation code: 56418792#

The presentation may also be followed at Royal Unibrew's website www.royalunibrew.com.

Financial Calendar for 2021

17 November 2021 Trading Statement for the period 1 January - 30 September 2021

Forward-looking statements

This Interim Report contains forward-looking statements, including statements about the Group's sales, revenue, earnings, spending, margins, cash flows, inventories, 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 following words or phrases "believe, anticipate, expect, estimate, intend, plan, project, will be, will continue, likely to result, could, may, might", or any variations of such words or other words with similar meanings. Any such statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause the Group's actual results, performance or industry results to differ materially from the results expressed or implied in such forward-looking statements. Royal Unibrew assumes no obligation to update or adjust any such forward-looking statements (except for as required under the disclosure requirements for listed companies) to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that may have direct bearing on the Group's actual results include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, development in the demand for the Group's products, introduction of and demand for new products, changes in the competitive environment and the industry in which the Group operates, changes in consumer preferences, increasing industry consolidation, 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, determination of fair value in the opening balance sheet of acquired entities, litigation, pandemic, environmental issues and other unforeseen factors.

New risk factors may emerge in the future, which the Group cannot predict. Furthermore, the Group cannot assess the impact of each factor 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.

Income Statement

Consolidated Income Statement

	H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Net revenue*	3,905	3,457	2,300	1,979	7,315
Production costs	-1,979	-1,740	-1,122	-999	-3,613
Gross profit	1,926	1,717	1,178	980	3,702
Sales and distribution expenses*	-976	-896	-547	-438	-1,843
Administrative expenses	-200	-158	-110	-79	-344
EBIT	750	663	521	463	1,515
Income after tax from investments in associates	15	4	14	6	33
Financial income	3	2	0	2	3
Financial expenses	-19	-21	-9	-11	-46
Profit before tax	749	648	526	460	1,505
Tax on the profit for the period	-155	-143	-109	-100	-307
Net profit for the period	594	505	417	360	1,198
Profit for the period is attributable to:					
Equity holders of Royal Unibrew A/S	595	496	417	350	1,183
Non-controlling interests	-1	9	0	10	15
Net profit for the period	594	505	417	360	1,198
Earnings per share (DKK)	12.3	10.1	8.6	7.1	24.1
Diluted earnings per share (DKK)	12.3	10.1	8.6	7.1	24.1

* The IFRS 15 accounting policy has been reassessed concerning customer contracts. This means that some costs related to the customer contracts has been reclassified to rebates and hence reduced the net revenue.

Statement of Comprehensive Income

	H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Net profit for the period	594	505	417	360	1,198
Other comprehensive income					
<i>Items that may be reclassified to the income statement:</i>					
Value and exchange adjustments of foreign group enterprises	3	-22	-4	-6	-29
Value adjustment of hedging instruments	3	-4	0	0	11
Tax on other comprehensive income (fair value adjustment)	0	1	1	-2	-2
Total	6	-25	-3	-8	-20
<i>Items that may not be reclassified to the income statement:</i>					
Actuarial gain on pension schemes					1
Total	0	0	0	0	1
Other comprehensive income after tax	6	-25	-3	-8	-19
Total comprehensive income	600	480	414	352	1,179
Comprehensive income for the period is attributable to:					
Equity holders of Royal Unibrew A/S	601	471	415	352	1,164
Non-controlling interests	-1	9	0	10	15
Net profit for the period	600	480	415	362	1,179

Consolidated Balance Sheet

Assets

mDKK	30/6 2021	30/6 2020	31/12 2020
NON-CURRENT ASSETS			
Intangible assets	4,411	4,432	4,408
Property, plant and equipment	2,556	2,410	2,455
Investments in associates	138	111	131
Other non-current investments	18	21	21
Non-current assets	7,123	6,974	7,015
CURRENT ASSETS			
Inventories	635	513	517
Receivables	1,223	1,061	639
Prepayments	70	66	54
Cash at bank and in hand	50	223	81
Current assets	1,978	1,863	1,291
Assets	9,101	8,837	8,306

Liabilities and Equity

mDKK	30/6 2021	30/6 2020	31/12 2020
EQUITY			
Share capital	98	99	99
Other reserves	717	708	716
Retained earnings	2,061	2,117	1,827
Proposed dividend	0	602	666
Equity contributable to equity holders of Royal Unibrew A/S	2,876	3,526	3,308
Non-controlling interests	13	19	24
Equity	2,889	3,545	3,332
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax	557	549	554
Mortgage debt	831	849	831
Credit institutions	982	1,237	1,293
Other payables	17	46	52
Non-current liabilities	2,387	2,681	2,730
CURRENT LIABILITIES			
Mortgage debt	17	4	19
Credit institutions	838	247	131
Trade payables	1,517	1,024	1,047
Provisions	10	16	10
Corporation tax	52	70	9
Other payables	1,391	1,250	1,028
Current liabilities	3,825	2,611	2,244
Liabilities	6,212	5,292	4,974
Liabilities and equity	9,101	8,837	8,306

Cash Flow Statement

for 1 January - 31 December

mDKK	H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Net profit for the period	594	505	417	360	1,198
Adjustments for non-cash operating items:	335	331	193	187	670
Change in working capital	81	-21	338	199	227
Net paid financial expenses and income	-16	-19	-8	-8	-44
Corporation tax paid	-109	-94	-40	-31	-313
Cash flows from operating activities	885	702	900	707	1,738
Dividend received from associates	12	10	1	10	21
Sale of property, plant and equipment	5	7	4	5	8
Purchase of property, plant and equipment	-183	-94	-102	-43	-280
Acquisition and disposal of subsidiaries and activities	-10	-7	-3	0	-6
Purchase/sale of intangible assets and fixed asset investments	1	-1	0	0	-1
Cash flows from investing activities	-175	-85	-100	-28	-258
Proceeds from increased drawdown on credit facilities etc.	284		184	-296	149
Repayment on credit facilities		-384	-125	-224	-579
Repayment on leasing facilities	-36	-35	-18	-17	-73
Dividend paid to shareholders	-657	0	-657	0	-600
Acquisition of shares for treasury	-332	-45	-190	0	-362
Cash flows from financing activities	-741	-464	-806	-537	-1,465

mDKK	H1 2021	H1 2020	Q2 2021	Q2 2020	FY 2020
Change in cash and cash equivalents	-31	153	-6	142	15
Cash and cash equivalents at beginning	81	72	57	82	72
Exchange adjustment	0	-2	-1	-1	-6
Cash and cash equivalents at 30 June 2021	50	223	50	223	81
Free cash flow					
Net cash from operating activities	885	702	900	707	1,738
Net cash used in investing activities	-166	-77	-97	-28	-251
Repayment on lease facilities	-36	-35	-18	-17	-73
Free cash flow	683	590	785	662	1,414

Consolidated Statement of Changes in Equity

for 1 January - 30 June

DKK '000	Share capital	Share premium account	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Parent Company share of equity	Minority share	Total
Equity at 31 December 2020	99	761	-53	8	716	1,827	666	3,308	24	3,332
Changes in equity in 2021										
Net profit for the year					0	595		595	-1	594
Other comprehensive income			6	3	9	-3		6		6
Total comprehensive income	0	0	6	3	9	592	0	601	-1	600
Dividend paid to shareholders					0		-654	-654	-3	-657
Dividend on treasury shares					0	12	-12	0		0
Change in liability to minority shareholders					0	-49		-49	-7	-56
Acquisition of shares for treasury					0	-332		-332		-332
Capital reduction	-1	-8			-8	9		0		0
Share-based payments					0	2		2		2
Total shareholders	-1	-8	0	0	-8	-358	-666	-1,033	-10	-1,043
Total changes in equity 1/1-30/6 2021	-1	-8	6	3	1	234	-666	-432	-11	-443
Equity at 30 June 2021	98	753	-47	11	717	2,061	0	2,876	13	2,889

The share capital at 30 June 2021 amounts to DKK 97,600,000 and is distributed on shares of DKK 2 each.

Consolidated Statement of Changes in Equity

for 1 January - 31 June

DKK '000	Share capital	Share premium account	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Parent Company share of equity	Minority share	Total
Equity at 31 December 2019	100	773	-24	-3	746	1,640	611	3,097	10	3,107
Changes in equity in 2020										
Net profit for the year					0	496		496	9	505
Other comprehensive income			-22	-4	-26			-26		-26
Tax on other comprehensive income					0	1		1		1
Total comprehensive income	0	0	-22	-4	-26	497	0	471	9	480
Acquisition of shares for treasury					0	-45		-45		-45
Proposed dividend					0	9	-9	0		0
Capital reduction	-1	-12			-12	13		0		0
Share-based payments					0	3		3		3
Total shareholders	-1	-12	0	0	-12	-20	-9	-42	0	-42
Total changes in equity 1/1-30/6 2020	-1	-12	-22	-4	-38	477	-9	429	9	438
Equity at 30 June 2020	99	761	-46	-7	708	2,117	602	3,526	19	3,545

Notes to the Interim Report

Note 1 Significant Accounting Policies; Accounting Estimates and Judgements

The Interim Report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies are exempted from a changed interpretation of IFRS 15 unchanged from those applied in the Annual Report for 2020, to which reference is made. Comparables for 2020 have been restated to comply with the changed interpretation of IFRS 15. For further information, see appendix 1.

The Annual Report for 2020 provides the total description of accounting policies significant to the Financial Statements.

Accounting Estimates and Judgements

The preparation of interim financial reporting requires that Management makes accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group's accounting policies and the key uncertainties relating to the estimates are excepted for COVID-19 the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2020.

COVID-19

COVID-19 has increased the uncertainties related to the Accounting Estimates, but it is not foreseen to generate any impairment losses on intangible assets. COVID-19 is not foreseen to generate any going concern issues.

Note 2 Assets and Derivative Financial Instruments Measured at Fair Value

mDKK	30/6 2021	30/6 2020	31/12 2020
Derivative financial instruments	11	-7	8

Derivative financial instruments are classified as level-2 instruments in the IFRS fair value hierarchy. The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

The fair value of the total debt is assessed to correspond to carrying amount.

Notes to the Interim Report

Note 3 Segment Reporting

The Group's results break down as follows on segments:

H1 2021

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	1,876	1,575	454		3,905
Earnings before interest and tax (EBIT)	385	285	91	-11	750
Share of income from associates	15				15
Other financial income and expenses	-2	-4	0	-10	-16
Profit/loss before tax for the period	398	281	91	-21	749
Tax on the profit/loss for the period				-155	-155
Net profit for the period					594
EBIT margin, %	20.5	18.1	20.0		19.2
Volumes, beverages (thousand hectolitres)	2,586	2,748	624		5,958
Net revenue, beverages	1,806	1,575	454		3,835

The Group's results break down as follows on segments:

H1 2020

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	1,580	1,493	385		3,457
Earnings before interest and tax (EBIT)	267	322	82	-8	663
Share of income from associates	4				4
Other financial income and expenses	-1	-5		-13	-19
Profit/loss before tax for the period	270	317	82	-21	648
Tax on the profit/loss for the period				-143	-143
Net profit for the period					505
EBIT margin, %	16.9	21.6	21.3		19.2
Volumes, beverages (thousand hectolitres)	2,191	2,586	492		5,269
Net revenue, beverages	1,514	1,493	385		3,391

Notes to the Interim Report

Note 3 Segment Reporting (continued)

The Group's results break down as follows on segments:

Q2 2021

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	1,129	949	222		2,300
Earnings before interest and tax (EBIT)	271	210	44	-4	521
Share of income from associates	14	0	0	0	14
Other financial income and expenses	-2	-2	0	-5	-9
Profit/loss before tax for the period	283	208	44	-9	526
Tax on the profit/loss for the period	0	0	0	-109	-109
Net profit for the period					417
EBIT margin, %	24.0	22.1	19.8		22.7
Volumes, beverages (thousand hectolitres)	1,533	1,590	298		3,421
Net revenue, beverages	1,098	949	222		2,268

Q2 2020

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	917	864	198		1,979
Earnings before interest and tax (EBIT)	198	229	43	-7	463
Share of income from associates	6				6
Other financial income and expenses	-1	-3	2	-7	-9
Profit/loss before tax for the period	203	226	45	-14	460
Tax on the profit/loss for the period				-100	-100
Net profit for the period					360
EBIT margin, %	21.6	26.5	21.7		23.4
Volumes, beverages (thousand hectolitres)	1,266	1,535	252		3,053
Net revenue, beverages	875	864	198		1,937

Notes to the Interim Report

Note 3 Segment Reporting (continued)

The Group's results break down as follows on segments:

FY 2020

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	3,402	3,141	772		7,315
Earnings before interest and tax (EBIT)	687	675	171	-18	1,515
Share of income from associates	33				33
Other financial income and expenses	-6	-11		-26	-43
Profit/loss before tax for the period	714	664	171	-44	1,505
Tax on the profit/loss for the period				-307	-307
Net profit for the period					1,198
EBIT margin, %	20.2	21.5	22.2		20.7
Volumes, beverages (thousand hectolitres)	4,682	5,409	1,002		11,093
Net revenue, beverages	3,252	3,141	772		7,169

Note 4 Cash Flow Statement

mDKK	H1 2021	H1 2020	FY 2020
Adjustments for non-cash operating items			
Financial income	-3	-2	-3
Financial expenses	19	21	46
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	181	175	348
Tax on the profit for the period	155	143	307
Income from investments in associates	-15	-4	-33
Profit and loss on sale of property, plant and equipment	-4	-5	-2
Share-based remuneration and payments	2	3	7
Total	335	331	670

Notes to the Interim Report

Note 5 Acquisition and disposal of subsidiaries and activities

Acquisitions in H1 2021

A finnish micro brewery

On 11 February 2021, Royal Unibrew's finnish subsidiary, Hartwall, acquired the assets in Helsinki Bryggeri, which strengthens further Hartwall's flexibility and dedication to local craft and speciality beer.

Bryggeri Helsinki will continue as an entrepreneur-driven brewery restaurant.

A Danish brewery and a Danish softdrink company

On 29 April 2021, Royal Unibrew entered into an agreement to acquire 100% of the shares in the Danish companies Bryggeriet S.C. Fuglsang A/S and Mineralvandsfabrikken Frem A/S. The acquisition was completed on 29 April 2021.

The companies are primarily doing business in the southern part of Jutland based on local, well-known beer- and softdrink brands with a 150 year long history.

The companies were merged with Royal Unibrew at the closing date.

Transaction costs and consolidation

Royal Unibrew A/S has incurred transaction costs relating to the acquisitions of approx DKK 0.4 million for legal advisers in connection with the realization of the two transactions. The costs are recognized as administrative expenses in the Interim Report for the period 1 January – 30 June 2021.

Both acquisitions have been included in the Consolidated Financial Statements of Royal Unibrew as of the date of acquisition.

Royal Unibrew has made the following preliminary calculation of the fair value of the acquired net assets and of goodwill at the time of acquisitions.

DKK '000

Intangibles	19
Property, plant and equipment	11
Inventories	20
Receivables	14
Prepayments	1
Deferred tax	0
Trade payables	-4
Other payables	-11
Acquired net assets	50
Goodwill	0
Estimated fair value of the business	50
Acquired cash at bank and in hand	-40
Cash consideration at closing	10
<hr/>	
Number of employees	62

The receivables acquired include trade receivables of a fair value of DKK 8 million corresponding to the gross amount receivable according to contract.

Acquisition after the reporting period

A French energy drinks brand

On 7 July 2021, Royal Unibrew's French subsidiary, Etablissements Geyer Frères, entered in an agreement to acquire 100% of MC Energy – a French Drinks company, which holds around 10% volume share in the fast-growing energy drinks market with the Crazy Tiger brand.

The acquisition is the next step in developing the French business towards a multi-niche market.

Crazy Tiger is being acquired from three French entrepreneurs at an enterprise value of around DKK 610m (EUR82m) on a debt free basis. Crazy Tiger has around 25 employees.

The acquisition will be financed with existing credit facilities, and the fair value of the acquired net assets will primarily be classified as intangibles assets.

Acquisition in 2020

In 2020, no acquisitions have been completed.

Financial Highlights and Key Ratios

per quarter

	Q1 2021	Q1 2020	Q2 2021	Q2 2020
Sales (thousand hectolitres)	2,536	2,216	3,421	3,053
Income Statement (mDKK)				
Net revenue*	1,605	1,478	2,300	1,979
EBITDA	318	287	609	546
<i>EBITDA margin (%)</i>	19.8	19.4	26.5	27.6
Earnings before interest and tax (EBIT)	229	200	521	463
<i>EBIT margin (%)</i>	14.3	13.5	22.7	23.4
Income after tax from investments in associates	1	-2	14	6
Other financials, net	-7	-10	-9	-9
Profit before tax	223	188	526	460
Net profit for the period	177	145	417	360
Balance Sheet (mDKK)				
Non-current assets	7,031	7,070	7,123	6,974
Total assets	8,618	8,518	9,101	8,837
Equity	3,320	3,181	2,889	3,545
Net interest-bearing debt	2,448	2,832	2,618	2,114
Net working capital	-682	-465	-990	-650
Invested capital	6,172	6,430	5,908	6,076
Cash Flows (mDKK)				
From operating activities	-15	-5	900	707
From investing activities*	-87	-67	-115	-45
Free cash flow*	-102	-72	785	662

	Q1 2021	Q1 2020	Q2 2020	Q2 2020
Financial ratios (%)				
Free cash flow as a percentage of net revenue	-6	-5	34	33
Cash conversion	-58	-50	188	184
Net interest-bearing debt/EBITDA**	1.3	1.6	1.3	1.2
Equity ratio	39	37	32	40

* The IFRS 15 accounting policy has been reassessed concerning customer contracts. This means that some costs related to the customer contracts have been reclassified to rebates and hence reduced the net revenue.

** Running 12-months

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society's Committee for accounting standards have been calculated according to the recommendations.

Financial Highlights and Key Ratios

for 1 January - 30 June 2017-2021

	2021	2020	2019	2018	2017
Sales (thousand hectolitres)	5,957	5,269	5,462	5,226	5,020
Income Statement (mDKK)					
Net revenue*	3,905	3,457	3,791	3,518	3,183
EBITDA	927	833	879	800	643
EBITDA margin (%)	23.7	24.1	23.2	22.7	20.2
Earnings before interest and tax (EBIT)	750	663	710	641	502
EBIT margin (%)	19.2	19.2	18.7	18.2	15.8
Income after tax from investments in associates	15	4	9	9	10
Other financials, net	-16	-19	-19	-14	-14
Profit before tax	749	648	700	636	498
Net profit for the period	594	505	541	502	390
Balance Sheet (mDKK)					
Non-current assets	7,123	6,974	7,099	5,920	5,148
Total assets	9,101	8,837	8,907	7,445	6,405
Equity	2,889	3,545	2,663	2,554	2,637
Net interest-bearing debt	2,618	2,114	3,000	1,956	1,158
Net working capital	-990	-650	-749	-928	-949
Invested capital	5,908	6,076	6,068	4,814	4,041
Cash Flows (mDKK)					
From operating activities	885	702	715	700	598
From investing activities	-202	-112	-102	-95	-101
Free cash flow	683	590	613	605	497

	2021	2020	2019	2018	2017
Share Ratios (DKK per share of DKK 2)					
Earnings per share (EPS)	12.3	10.1	10.9	9.9	7.5
Free cash flow per share	14.2	12.0	12.3	11.9	9.5
Year-end price per share	798.8	551.8	479.0	508.5	312.3
Financial ratios (%)					
Free cash flow as a percentage of net revenue	17	17	16	17	16
Cash conversion	115	117	113	121	127
Net interest-bearing debt/ EBITDA**	1.3	1.2	1.7	1.3	0.9
Equity ratio	32	40	30	34	41

* The IFRS 15 accounting policy has been reassessed concerning customer contracts. This means that some costs related to the customer contracts have been reclassified to rebates and hence reduced the net revenue.

** Running 12-months

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society's Committee for accounting standards have been calculated according to the recommendations.

Appendix 1 - IFRS adjustments

We have reassessed the IFRS 15 accounting policy concerning customer contracts and on that background we have changed our handling of some customer contract-related costs. This means that some sales costs are reclassified to rebates, and as a consequence revenue and sales costs are reduced by the same amount, whereas EBIT is unchanged.

mDKK	FY 2017	FY 2018	FY 2019	FY 2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Western Europe										
Previously reported revenue	2,829	3,378	3,691	3,548	689	958	1,132	769	775	1,176
Adjustment	-145	-157	-152	-146	-26	-41	-32	-47	-28	-47
IFRS adjusted revenue	2,684	3,221	3,539	3,402	663	917	1,100	722	747	1,129
EBIT	563	645	722	687	69	198	300	120	114	271
Previously reported EBIT margin	19.9%	19.1%	19.6%	19.4%	10.0%	20.7%	26.5%	15.6%		
IFRS adjusted EBIT margin	21.0%	20.0%	20.4%	20.2%	10.4%	21.6%	27.3%	16.6%	15.3%	24.0%
Baltic Sea										
Previously reported revenue	3,076	3,338	3,308	3,237	648	886	937	766	645	979
Adjustment	-97	-114	-103	-96	-19	-22	-26	-28	-19	-30
IFRS adjusted revenue	2,979	3,224	3,205	3,141	629	864	911	738	626	949
EBIT	431	599	654	675	93	229	254	99	75	210
Previously reported EBIT margin	14.0%	17.9%	19.8%	20.9%	14.4%	25.8%	27.1%	12.9%		
IFRS adjusted EBIT margin	14.5%	18.6%	20.4%	21.5%	14.8%	26.5%	27.9%	13.4%	12.0%	22.1%

Appendix 1 - IFRS adjustments (continued)

mDKK	FY 2017	FY 2018	FY 2019	FY 2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
International										
Previously reported revenue	479	582	694	772	187	198	189	198	232	222
Adjustment	-3	-4	-1	0	0	0	0	0	0	0
IFRS adjusted revenue	476	578	693	772	187	198	189	198	232	222
EBIT	106	127	132	171	39	43	50	39	47	44
Previously reported EBIT margin	22.1%	21.8%	19.0%	22.2%	20.9%	21.7%	26.5%	19.7%		
IFRS adjusted EBIT margin	22.3%	22.0%	19.0%	22.2%	20.9%	21.7%	26.5%	19.7%	20.3%	19.8%
Royal Unibrew										
Previously reported revenue	6,384	7,298	7,693	7,557	1,524	2,042	2,258	1,733	1,652	2,376
Adjustment	-244	-276	-256	-242	-46	-63	-58	-75	-47	-77
IFRS adjusted revenue	6,140	7,022	7,437	7,315	1,478	1,979	2,200	1,658	1,605	2,299
EBIT	1,069	1,339	1,469	1,515	200	463	600	252	229	521
Previously reported EBIT margin	16.7%	18.3%	19.1%	20.0%	13.1%	22.7%	26.6%	14.5%		
IFRS adjusted EBIT margin	17.4%	19.1%	19.8%	20.7%	13.5%	23.4%	27.3%	15.2%	14.3%	22.6%