Company Announcement No 23/2023 – August 22, 2023

Interim Report for H1 2023

Organic EBIT growth of 3% in Q2 2023 – midpoint of full-year EBIT guidance raised

- Our multi-beverage businesses in Northern Europe continue to perform well and EBIT in Northern Europe grew organically by 19% in H1 2023 (H1 2022: -9%).
- The Italian wholesale channel for On-Trade beer normalized during Q2 thereby ending a period of de-stocking that impacted the first half of the year negatively. In the past three months (May to July), we have experienced a balanced sell-in and sell-out in the Italian wholesale channel for On-Trade beer.
- We have implemented price increases in all markets during the first half of 2023, which impact net revenue positively. Net revenue increased organically by 5% in Q2 2023 (H1 2023: 6%), including a negative impact of around 2 percentage points from currency developments. This resulted in a positive price/mix of 9% for the quarter (H1 2023: +9%), including the negative currency impact. The consumer dynamics remain relatively strong across our European footprint.
- EBIT grew organically by 3% in Q2 2023 (H1 2023: 0%), marking the first quarter with positive organic EBIT growth since Q1 2021. M&A contributed by around DKK 10 million in Q2 2023 (H1 2023: around DKK -10 million) as a consequence of the significant devaluation of Norwegian Kroner. For H1 2023 the negative currency impact on EBIT was around DKK 30 million.
- Free cash flow in Q2 2023 was DKK 949 million, an improvement of DKK 280 million compared to last year, resulting in a first half-year free cash flow of DKK 545 million (H1 2022: DKK 310 million).
- Full-year outlook for 2023 is now net revenue around DKK 13 billion (previously: DKK 13-14 billion) and EBIT of DKK 1,600-1,750 million (previously: DKK 1,550-1,750 million).

CEO Lars Jensen comments: *"We delivered strong top line growth in H1 2023, as our multi-beverage businesses in Northern Europe continue to carry on strongly. We have seen inflation in input costs since the beginning of 2021, and I am pleased to say that we have reached our ambition of mitigating the absolute increase in input costs during Q2. However, there is still inflation from e.g. salary increases and currency-related inflation that need to be mitigated.*

In Italy, the de-stocking ended in Q2. Volumes remain weak due to poor weather and tough comparable growth numbers from last year, albeit Ceres is still gaining market share in the Italian market on sell-out data.

In April, we received an updated ESG risk rating from Morningstar Sustainalytics placing us as number one in the beer, wine and spirits sector. According to Morningstar Sustainalytics, we improved our ESG performance by 7%, positioning us as an Industry Top Rated company. I am very proud of this acknowledgement, which is a great testament of all the hard work we are doing as in regards to the ESG agenda. The hard work is not over; we will continue our efforts to reduce our environmental footprint in the years to come.

Finally, I am excited about our recent agreements to acquire Vrumona in the Netherlands and production capacity in Italy. Vrumona is the second largest soft drink company in the Netherlands, will make up a new growth platform for Royal Unibrew in Western Europe and is expected to drive organic earnings growth in the coming years. The acquisition of production capacity in Italy is a result of our strong belief in our Italian business and the Italian market," Lars Jensen continues.

Selected financial highlights and key ratios

mDKK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Volume (million hectoliters)	3.9	3.8	6.6	6.5	13.4
Organic volume growth (%)	-4	5	-3	2	1
Net revenue	3,595	3,211	6,147	5,373	11,487
Organic net revenue growth (%)	5	15	6	15	11
EBITDA	674	623	976	940	1,997
EBITDA margin (%)	18.7	19.4	15.9	17.5	17.4
EBIT	536	511	710	720	1,516
Organic EBIT growth (%)	3	-13	0	-13	-14
EBIT margin (%)	14.9	15.9	11.6	13.4	13.2
Profit before tax	480	851	603	1,046	1,785
Net profit for the period	388	772	486	926	1,491
Free cash flow	949	669	545	310	577
Net interest-bearing debt			4,783	4,416	4,460
ROIC incl. goodwill (%)*			12	15	13
ROIC excl. goodwill (%)*			19	24	22
NIBD/EBITDA (times)*			2.4	2.2	2.2
Equity ratio (%)			32	31	36
Earnings per share (EPS)	7.8	15.6	9.8	19.2	30.5
Earnings per share (EPS), adjusted**	7.8	8.5	9.8	11.7	23.1

* Running 12 months
** Earnings per share (EPS) is adjusted for gain on remeasurement of investments in associates (DKK 360 million) in 2022

Financial highlights

The organic volume decline of 4% to 3.9 million hectoliters in Q2 2023 was a consequence of tough comparable numbers in Western Europe and International, whereas volumes in Northern Europe increased organically by 3%. Poor weather in Italy together with de-stocking in the wholesale beer On-Trade channel in Italy resulted in an organic volume decline of 29% in Western Europe. At the end of July, our sales-in has balanced sales-out data for three months in a row. Political and macroeconomic challenges in Africa also continued into the second quarter of the year driving negative organic volume growth of -18% in International. For H1 2023, group volumes declined organically by 3% to 6.6 million hectoliters corresponding to 2% reported growth.

Net revenue increased by 12% in Q2 2023 to DKK3,595 million compared to DKK 3,211 million in Q2 2022. This corresponds to an organic growth of 5%, which is driven by the implemented price increases, while negatively impacted by the weaker Norwegian and Swedish Kroner (around 2 percentage points). The reported growth includes net revenue from acquisitions done over the past 12 months. This impact constitutes around 7 percentage points of the reported net revenue growth and the majority comes from Hansa Borg. Net revenue for H1 2023 amounted to DKK 6,147 million (H1 2022: DKK 5,373 million) corresponding to an organic growth of 6%, which is negatively impacted by the weaker Norwegian and Swedish Kroner (around 2 percentage points).

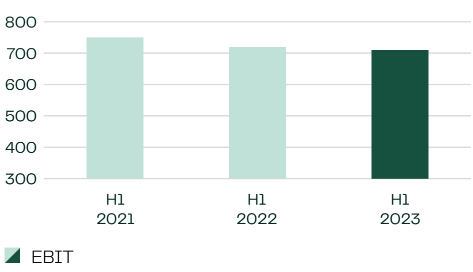
In Q2 2023, Earnings before interest and tax (EBIT) increased by DKK 25 million from DKK 511 million in Q2 2022 to DKK 536 million in Q2 2023. The EBIT margin declined by 1.0 percentage point to 14.9%. Acquisitions diluted the margin by around 0.7 percentage points negatively impacted by the weaker Norwegian Kroner. Profitability in Western Europe was negatively impacted by poor weather and de-stocking in the Italian wholesale beer On-Trade channel.

In H1 2023, EBIT was DKK 10 million lower than in H1 2022 and amounted to DKK 710 million (H1 2022: DKK 720 million). This represents a flat organic development, whereas the reported decline was 1%. The weaker Norwegian and Swedish Kroner impacted profitability negatively in the first half-year of 2023. The reported EBIT margin declined by 1.8 percentage points whereof around 1.1 percentage points were due to acquisitions.

The free cash flow for H1 2023 amounted to DKK 545 million compared to DKK 310 million for H1 2022 driven by high cash flow from operating activities more than compensating higher capex.

In H1 2023, net interest-bearing debt increased by DKK 323 million (H1 2022: DKK 880 million) compared to year-end 2022. The increase is primarily explained by the payment of dividend to shareholders whereas the positive free cash flow impacted positively. Calculated on a 12-months basis, NIBD/EBITDA was 2.4 (H1 2022: 2.2) and ROIC excluding goodwill was 19% (H1 2022: 24%).

EBIT H1
(mDKK)



ESG highlights

The overall ESG performance has improved compared to the same period last year. Our water consumption efficiency improved in the first half of 2023 primarily driven by a change in product mix, while our temporary shift from natural gas to oil still impacts our CO_2 emissions and energy efficiency negatively.

To become 100% CO_2 emission free at our production sites by the end of 2025, we have established decarbonization roadmaps with specific actions in all our markets. In June, we reached important milestones with the inauguration of a biogas plant in Finland and a solar park in Denmark.

As part of our climate targets submission for the Science Based Target initiative (SBTi), we have stepped up on our ambition for Scope 3 emissions and added a target of 50% reduction in absolute CO_2 emissions from Scope 3 alone in 2030 compared to our 2019 baseline.

Our goal to provide 100% recycled, recyclable or reuseable packaging in 2025 has been further addressed by introducing cardboard solutions in our packaging systems; latest for our new caning line in Italy, which enables substitition, or even elimination, of plastics.

Acquisitions

On July 3, 2023, Royal Unibrew announced the signing of an agreement to acquire the Dutch soft drink company Vrumona from Heineken. Vrumona is the second largest soft drink manufacturer in the Dutch market carrying a range of strong own brands and partner brands. With a solid position in both On- and Off-Trade, a portfolio with the majority of products within the no/low sugar and calories segment, Vrumona fits very well into Royal Unibrew's operating model of strong, local businesses with strong, local brands.

Vrumona operates seven production lines at its facility with a current annual output of around 3.1 million hectoliters. The company had net revenue of EUR 200 million in 2022, whereas normalized EBITDA was EUR 25 million. Completion of the deal is expected in either September or October this year, from where Royal Unibrew will acquire 100% of Vrumona in consideration of EUR 300 million on a debt free basis, resulting in an acquisition multiple (EV/EBITDA) of 12x. The acquisition of Vrumona is expected to be EPS accretive already in 2024, and ROIC on the acquisition is expected to exceed WACC within three years.

On July 21, 2023, Royal Unibrew announced the signing of an agreement to aquire a production facility in San Giorgio di Nogaro, Italy, from Birra Castello. This strategic move supports Royal Unibrew's growing Italian business as well as its growing business in international markets. At the same time, it aims to reduce the company's periodic capacity constraints.

Royal Unibrew will take full ownership of the assets later this year once certain transaction-related processes have been fulfilled. The integration will be managed locally by Royal Unibrew's strong Italian organization and is expected to be a smooth and relatively uncomplicated process.

Full-year outlook

We are adjusting our full-year guidance for 2023 and lift the midpoint of our EBIT range. The adjusted full-year guidance is for net revenue of around DKK 13 billion (previously: DKK 13-14 billion) and EBIT in the range of DKK 1,600-1,750 million (previously: DKK 1,550-1,750 million).

The announced acquisitions of Vrumona and the San Giorgio brewery in Italy are not included in the outlook for 2023.

We have reduced our expectations to net revenue because of poor weather in the Nordics in July and August and weak Norwegian and Swedish Kroner.

The value of both Norwegian and Swedish Kroner has deflated significantly in 2023. Assuming unchanged foreign exchange rates for the remainder of the year, the full-year negative impact on net revenue is expected to be around DKK 250 million.

We narrow our full-year EBIT guidance range by DKK 50 million as we are now through the high season meaning that vi have greater visibility on this year's development. We have increased the low-end of guidance by DKK 50 million primarily because of strong performance in our Nordic multi-beverage markets, an end to the Italian de-stocking and better visibility on the rest of the year.

The beverage industry continues to prove its resilient characteristics, despite inflationary pressure, uncertain macroeconomic environment and geopolitical risks. Our quality beverages are affordable and used for everyday indulgence, and with our portfolio of strong local brands combined with market leading partner brands we feel confident in keeping the commercial momentum throughout the year.

We have now mitigated the input price inflation experienced since the beginning of 2021, and some input prices have started to roll-over, while others continue to increase. On top, salary increases, driven by higher living costs, and currency-related inflation means that we will still need to increase prices going forward.

Therefore, we need to remain focused on monitoring consumers' reactions to the higher prices. Consumer behavior has been relatively unchanged and robust during the first half of the year, but we do expect affordability to remain a key focus for consumers during the rest of 2023 and consequently, our channel mix to be slightly negative. We also continue to expect private label and discount brands to gain share in the overall market.

Net finance expenses, excluding currency related losses or gains, are expected to be around DKK 200 million for the full-year. We expect an effective tax rate of around 21% of profit before tax, excluding result after tax from investments in associates.

Capex for 2023 is expected to be around 5-6% of net revenue as we have increased investments in ESG projects.

Contents

Profile

Royal Unibrew is a leading regional multi-beverage company with strong local brand portfolios in our main markets in the Nordic region, the Baltic countries, Italy, France and Canada. In addition, our products are sold in more than 70 countries in the rest of the world.

We strive to offer our customers a broad portfolio of high-quality beverages, which accommodates our consumers' demands across a wide range of categories, including beer, malt beverages, soft drinks, energy drinks, cider/RTD, juice, water, wine and spirits.

Our business is based on a solid foundation of strong local brands. As for Northern Europe, our local brands are accompanied by well-known international brands on license (PepsiCo and Heineken) and trading goods (e.g., Diageo), whereas our offering is a mix of own brands and agency brands in Canada.

We want to be THE PREFERRED CHOICE as local beverage partner that challenge the status quo by doing better every day in a fun, agile and sustainable way, creating good and enjoyable moments for our consumers.

Financial highlights and ratios

	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Volume (million hectolitres)	3.9	3.8	6.6	6.5	13.4
Organic volume growth (%)	–4	5	–3	2	1
Income statement (mDKK)					
Net revenue	3,595	3,211	6,147	5,373	11,487
Organic net revenue growth (%)	5	15	6	15	11
EBITDA	674	623	976	940	1,997
EBITDA margin (%)	18.7	19.4	15.9	17.5	17.4
EBIT	536	511	710	720	1,516
Organic EBIT growth (%)	3	–13	0	–13	–14
EBIT margin (%)	14.9	15.9	11.6	13.4	13.2
Income after tax from investments in associates	4	355	4	351	362
Other financial income and expenses, net	–60	–15	–111	–25	–93
Profit before tax	480	851	603	1,046	1,785
Net profit for the period	388	772	486	926	1,491
Balance sheet (mDKK)					
Non-current assets			11,308	11,143	11,416
Total assets			14,957	14,651	14,474
Equity			4,825	4,574	5,158
Net interest-bearing debt			4,783	4,416	4,460
Net working capital			–711	–1,080	–770
Invested capital			10,410	9,815	10,451
Cash flows (mDKK)					
Operating activities	1,133	845	852	562	1,135
Investing activities	–184	–176	–307	–252	–558
Free cash flow	949	669	545	310	577

	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Share ratios (DKK per share of DKK 2)					
Earnings per share (EPS)	7.8	15.6	9.8	19.2	30.5
Earnings per share (EPS), adjusted*	7.8	8.5	9.8	11.7	23.1
Free cash flow per share	19.2	13.5	11.0	6.2	11.8
Dividend per share					14.5
Period-end price per share			610.0	628.4	495.3
Financial ratios (%)					
Return on invested capital incl. goodwill (ROIC)**			12	15	13
Return on invested capital excl. goodwill (ROIC)**			19	24	22
Free cash flow as a percentage of net revenue	26	21	9	6	5
Cash conversion	245	87	112	33	39
Net interest-bearing debt/EBITDA (times)			2.4	2.2	2.2
Equity ratio			32	31	36

* Earnings per share (EPS) is adjusted for gain on remeasurement of investments in associates (DKK 360 million) in 2022
** Running 12 months

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

ESG highlights and ratios

		Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
PRODUCTION FIGURES						
Production sites		19	14	19	14	19
Production volume, total	million hl	3.4	3.2	6.2	5.8	12.1
CO_2 EMISSIONS						
Scope 1 & 2 (location based)*	million $kgCO_2$	9.7	9.2	20.5	18.7	40.5
Scope 1 & 2 (market based)**	million $kgCO_2$	8.2	6.7	17.7	14.1	31.1
ENVIRONMENT & CLIMATE						
Electricity	GWh	24.6	22.5	49.0	42.0	98.7
Natural gas	GWh	20.5	26.0	38.1	52.2	87.3
Purchased heat/steam/cooling	GWh	7.3	7.7	17.6	18.2	34.6
Other	GWh	9.9	0.6	24.8	1.5	27.0
Energy, total	**GWh**	**62.3**	**56.8**	**129.5**	**113.9**	**247.6**
Water consumption, total	**million hl**	**10.2**	**10.0**	**18.7**	**18.1**	**37.5**
Wastewater, total	**million hl**	**6.3**	**6.4**	**11.8**	**11.8**	**23.7**
Hazardous waste	million kg	0.0	0.0	0.0	0.0	0.1
Landfilled waste	million kg	0.2	0.2	0.3	0.3	0.6
Incinerated waste	million kg	0.2	0.2	0.4	0.4	0.7
Recycled waste	million kg	2.8	2.3	6.1	4.1	10.5
Solid waste, total	**million kg**	**3.2**	**2.6**	**6.8**	**4.8**	**11.9**
Recycled waste %	%	89.1	88.5	90.5	85.4	88.3
Spent grain & yeast	million kg	18.5	23.1	37.8	43.9	91.7
RELATIVE PRODUCTION FIGURES						
Energy	kWh/hl	18.4	17.6	20.8	19.5	20.5
CO_2	kg CO_2/hl	2.9	2.9	3.3	3.2	3.3
Water	hl/hl	3.0	3.1	3.0	3.1	3.1
Waste	kg/hl	0.9	0.8	1.1	0.8	1.0

		Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
PACKAGING MATERIAL* **						
Cans	%			48.3	42.8	43.8
Returnable glass bottles	%			2.2	2.4	2.3
Non returnable glass bottles	%			7.7	9.6	10.1
PET	%			33.0	35.6	33.4
Kegs	%			3.0	2.8	2.9
Bulk	%			1.4	0.4	1.0
Other	%			4.4	6.4	6.5
PEOPLE WELL-BEING & DEVELOPMENT						
Occupational Health & Safety						
Total number of lost-time incidents (LTIs)	Number	25	9	42	21	63
Lost time incident frequency	per million working hrs	16.1	6.8	13.4	8.1	11.1
Number of lost days	Number	148	96	311	229	1,153
Lost day rate	per million working day	95	73	99	88	203
Fatalities	Number	0	0	0	0	0
Employee engagement						
Employee turnover	%	4.5	4.1	8.4	8.7	17.1
Leave of absence due to illness (not work related)	%	0.6	0.7	1.5	1.8	3.6
Diversity						
Employees by gender, total						
Female	%			27	27	26
Male	%			73	73	74
Employees by gender, Int. Management teams						
Female	%			28	28	28
Male	%			72	72	72

* Location based: Calculated CO_2 emission based on IEA country factors and DEFRA data
** Market based: Subtracting CO_2 emission covered by green certificates
*** Packaging material excluding Amsterdam Brewery Co. Ltd and Solera Norge AS

Management's review

Business development

Our Nordic multi-beverage markets showed strong performance in the first half of the year and delivered satisfactory volume growth. Implemented price increases during the first quarter of the year as well as the full-year effect of price increases implemented during the past year, drove healthy price/mix growth in the first half of 2023 in most markets.

The de-stocking in the wholesale beer channel in Italy continued into the second quarter, but as high season in Italy got underway, we saw a normalization of the channel toward the end of Q2 2023. Sell-out data for Ceres in Italy has remained strong despite the fact that the brand has been up against very tough comparable sales-out figures from Q2 2022. The International division continues to be negatively impacted by weak development in Africa caused by political upheaval in some countries, a general weak economic development and short supply of hard currencies.

Consumer dynamics have not changed notably during the second quarter of 2023. In general, consumers continue to do more frequent shopping at discount stores than they did one year ago, resulting in a negative channel mix, as discount stores do not have – or only have a limited selection of – our mainstream and premium offerings. This means that the beverage category has remained resilient in the present consumer environment; although we still expect to see further changes in consumer preferences in 2023, including increasing consumer promotion hunting.

Performance in our focus growth areas have been good in the second quarter with double-digit net revenue growth in the cider/RTD category and the enhanced water category and with high-single-digit net revenue growth in energy drinks.

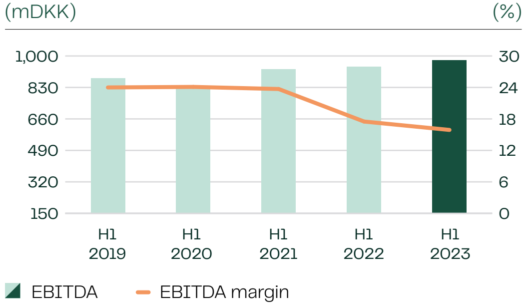
Following seven quarters in a row with negative organic EBIT growth, due to among others the significant input price inflation experienced during the past two years, we realized positive organic EBIT growth in Q2 2023. It is our North European multi-beverage markets that are driving growth, although earnings development in Norway and Sweden were dented by the weak currencies. The negative impact from weaker Norwegian and Swedish Kroner is around DKK 30 million on EBIT in the first half of the year.

ESG development

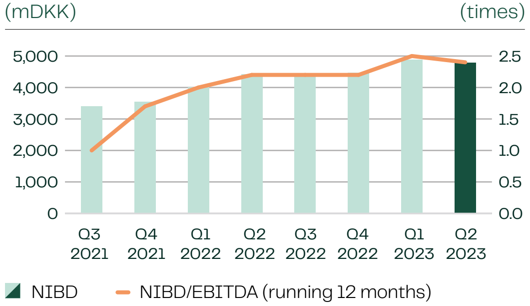
The overall ESG performance has improved compared to the same period last year. We received an updated ESG risk rating from Morningstar Sustainalytics in April 2023, where Royal Unibrew was rated number one in the global beer, wine and spirits sector. We improved our ESG performance by 7% compared to last year, i.e. reducing our risk from 16.6 to 15.5.

In June, Royal Unibrew was recognized by an independent jury for the best Annual Report in 2022 among C25 large cap companies on NASDAQ OMX Denmark. The award was based on our open and transparent ESG disclosure, where strategy, targets and performance are presented coherently as well as

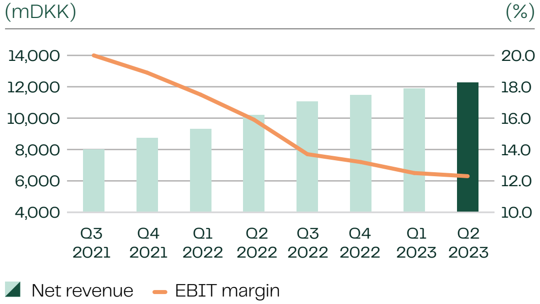
EBITDA and EBITDA MARGIN



NIBD and NIBD/EBITDA



Revenue and EBIT margin running 12 months



our continued strong financial disclosure in our management review.

When looking at efficiency, measured as energy and water consumed as well as CO_2 emitted per produced unit, performance is still impacted by our temporary switch from natural gas to oil. Oil contains less calories compared to gas, resulting in both higher energy consumption and an increase in CO_2 emissions. Efficiency is also affected by acquisitions, however, Hansa Borg and Amsterdam Brewery are progressing on efficiency projects, and we expect improvements as these projects become fully implemented. On water consumption, we see improved efficiency (organic and inorganic), which is primarily driven by a change in product mix.

As our company grows steadily, the need for bringing forward talents for critical positions is a continuous focus, leading to a series of internal and external initiatives throughout the year so far. Initiatives to optimize internal succession and development have also been initiated. Employee turnover decreased from 8.7% in H1 2022 to 8.4% in H1 2023, which helps in this process.

The lost time incident frequency has, unfortunately, increased in H1 2023 compared to H1 2022 and FY2022, from 8.1 in H1 2022 to 13.4 lost time incidents per 1 million working hours in H1 2023. Despite being a clear focus area with high priority the total number of LTIs has doubled (21 in H1 22 vs 42 in H1 23) primarily driven by production in Denmark. Consequently, the Danish management is now directly involved in safety walks (with a higher frequency) and incident investigations, including root-cause assessment and implementation of preventive measures.

We continue our journey toward becoming 100% CO_2 emission free at our production sites in 2025. To reach this target, we have established decarbonization roadmaps with specific actions in all our markets. In June, we reached important milestones as we inaugurated two major facilities to enable decarbonization. In Lahti, Finland, with a 100% circular mindset, we have converted from fossil-based gas to bio-based gas thanks to a new biogas plant that utilizes our by-product, spent grain, and converts it into biogas. In Denmark, we inaugurated our own solar park, which on sunny days will make us self-sufficient in electricity at our Faxe production facility. Solar panels are up and running in Italy at our Crodo production facility and well under way in even more markets. In addition, all markets have projects to decarbonize – mainly converting natural gas to either biomass-based gas or electrical boilers. The changes we see in the geopolitical situation support and accelerate our efforts to decarbonize.

In December 2022, we submitted our climate targets to the Science Based Target initiative (SBTi). We expect to get the first feed-back from SBTi in August 2023. The two targets we have set for decarbonization for 2025 and 2030 are aligned with the requirements for limiting global temperature rise to 1.5°C as agreed in the 2015 Paris Accord. However, we have stepped up on our ambition for scope 3 and added a target of 50% reduction in absolute CO_2 emissions from scope 3 alone in 2030 compared to 2019 baseline.

By engaging with our suppliers, we believe to be equipped to reach the goal of reducing the supply chain emissions by 50% by 2030. The recent agreement to acquire the production facility in San Giorgio de Nogaro, Italy, from Birra Castello is also supporting our sustainability strategy, as it will reduce our CO_2 footprint significantly by reducing the transportation needs for products sold in Italy and other international markets.

Furthermore, Royal Unibrew's goal to provide 100% recycled, recyclable or reusable packaging in 2025 has been addressed by introducing cardboard solutions in our packaging systems, for example, as for our new filling line for cans in Italy that enables substitution, or even elimination, of plastics.

Launch of long-term incentive plan for executive management and key employees

In May 2023, Royal Unibrew launched a new share based long-term incentive plan (LTIP) for selected key employees for 2023.

The LTIP implies the grant of a number of performance share units (PSU) to each key employee and are granted in 2023 for vesting in 2026 depending on the company's performance in 2023 to 2025.

The KPIs used for executive management in the program are (a) organic EBIT achieved in 2025; (b) accumulated free cash flow for the years 2023 to 2025; (c) CSR rating at the end of 2025 relative to a beverage peer group and (d) share price development to the end of 2025.

Please find more information in company announcement no 18/2023, May 9, 2023.

Financial review

Income statement

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Volumes, beverages (mHL)	3.9	3.8	1	6.6	6.5	2	13.4
Net revenue (mDKK)	3,595	3,211	12	6,147	5,373	14	11,487
Gross profit (mDKK)	1,564	1,485	5	2,595	2,436	7	4,869

Volumes for H1 2023 increased 2% compared to last year to a total 6.6 million hectoliters of beverages.

Net revenue for H1 2023 increased by 14% and amounted to DKK 6,147 million compared to DKK 5,373 million for the same period in 2022. Strong development in net revenue due to price increases, extended partnerships and acquisitions.

Gross profit for H1 2023 was DKK 159 million above the H1 2022 figure and amounted to DKK 2,595 million equivalent to an increase of 7%. The gross profit margin was 3.1 percentage points below the H1 2022 margin (Q2 2023: 2.7 percentage points lower y/y) and represented 42.2% compared to 45.3% for H1 2022. Gross profit per volume unit was 4.3% higher (Q2 2023: 4.7% higher) than in 2022.

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Sales and distribution expenses (mDKK)	847	841	1	1,555	1,455	7	2,926
Administrative expenses (mDKK)	181	133	36	330	261	26	427

Sales and distribution expenses for H1 2023 were DKK 100 million higher than the same period in 2022 and amounted to DKK 1,555 million compared to DKK 1,455 million for H1 2022.

Administrative expenses for H1 2023 showed a DKK 69 million increase compared to the same period in 2022 and amounted to DKK 330 million compared to DKK 261 million for H1 2022. Advisory costs and other project costs related to acquisitions are included in administrative expenses.

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
EBITDA (mDKK)	674	623	8	976	940	4	1,997
EBIT (mDKK)	536	511	5	710	720	-1	1,516
Income after tax from investments (mDKK)	4	355	-99	4	351	-99	362
Net financial expenses (mDKK)	-60	-15	-300	-111	-25	-344	-93

Earnings before interest, tax, depreciation and amortization (EBITDA) for H1 2023 showed a DKK 36 million increase and amounted to DKK 976 million compared to DKK 940 million for H1 2022. In Q2 2023, EBITDA increased by DKK 51 million compared to the same period in 2022. EBIT for H1 2023 amounted to DKK 710 million, which is DKK 10 million lower than the same period in 2022, caused by negative scale effect from lower-than-expected volumes in Italy and Africa, weak currencies in Norway and Sweden and costs related to acquisitions.

The EBIT margin for H1 2023 was 11.6% and declined by 1.8 percentage points compared to H1 2022 whereof around 1.1 percentage point was due to acquisitions including a signifant impact from the weaker Norwegian Kroner. Income after tax from investments amount to DKK 4 million, in contrast to last year where the revaluation of our 25 % ownership in Hansa Borg led to a tax-free profit of DKK 360 million. Net financial expenses for H1 2023 at DKK 111 million were DKK 86 million higher than last year.

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Profit before tax (mDKK)	480	851	-44	603	1,046	-42	1,785
Tax on profit (mDKK)	-92	-79	-16	-117	-120	3	-294
Net profit (mDKK)	388	772	-50	486	926	-48	1,491
Earnings per share (DKK)	7.8	15.6		9.8	19.2		23.1
Earnings per share (DKK), adjusted*	7.8	8.5		9.8	11.7		23.1

* Earnings per share (EPS) is adjusted for gain on remeasurement of investments in associates (DKK 360 million) in 2022

Profit before tax for H1 2023 was DKK 443 million lower than the same period in 2022 and amounted to DKK 603 million compared to DKK 1,046 million for H1 2022, which included a technical revaluation of the shares in Hansa Borg.

Tax on profit for H1 2023 amounted to an expense of DKK 117 million. The tax has been calculated on the basis of an expected full-year tax rate of approx. 21% on the profit excluding result after tax from investments in associates.

Net profit for H1 2023 amounted to DKK 486 million, which is DKK 440 million lower compared to H1 2022. Earnings per share in H1 2023 decreased to DKK 9.8 per share compared to 19.2 for the same period in 2022, which was positively impacted by the revaluation of the shares in Hansa Borg. Adjusting for this revaluation, earnings per share declined from 11.7 to 9.8 in H1 2023.

Balance sheet

The balance sheet amounted to DKK 14,957 million at the end of H1 2023, which is DKK 483 million above year end 2022.

	H1 2023	H1 2022	% change	H1 2023	FY 2022	% change
Invested capital (mDKK)	10,410	9,815	6	10,410	10,451	0

Invested capital declined by DKK 41 million in the period from December 31, 2022, to June 30, 2023. ROIC excluding goodwill calculated on a running 12 months basis declined by 5 percentage points to 19% in H1 2023. ROIC including goodwill declined by 3 percentage points to 12% in H1 2023.

	H1 2023	H1 2022	Change % points	H1 2023	FY 2022	Change % points
ROIC incl. Goodwill (running 12 months)	12	15	-3	12	13	-1
ROIC excl. Goodwill (running 12 months)	19	24	-5	19	22	-3

Equity at the end of June 2023 amounted to DKK 4,825 million compared to DKK 5,158 million at the end of 2022. The change in H1 2023 equity consists of positive comprehensive income of DKK 376 million (H1 2022: 920 million), a share-based payment of DKK 11 million and a pay out of dividend of DKK 720 million.

The equity ratio declined by 4 percentage points from December 31, 2022, to 32% on June 30, 2022.

	H1 2023	H1 2022	% change	H1 2023	FY 2022	% change
Net interest-bearing debt (NIBD)	4,783	4,416	8	4,783	4,460	7

Net interest-bearing debt for H1 2023 showed a DKK 323 million increase (H1 2022: increase of DKK 880 million) and amounted to DKK 4,783 million compared to DKK 4,460 million end of 2022. Increase in net interest-bearing debt comprised the positive free cash flow of DKK 545 million net plus DKK 5 million related to fixed asset divestments, less dividend payments of DKK 720 million, DKK 1 million related to acquisitions and adjustment for DKK 152 million in net leasing facilities. The net interest-bearing debt to EBITDA ratio (running 12 months basis) was 2.4 (H1 2022: 2.2).

Funds tied up in net working capital was DKK -711 million at the end of June 2023 (June 30, 2022: DKK -1,080 million) compared to DKK -770 million at the end of 2022. Funds tied up in working capital thus decreased by DKK 59 million compared to end of 2022 (H1 2022: increase of DKK 22 million). Funds tied up in inventories, trade receivables and trade payables showed an increase of DKK 287 million compared to end of 2022 (H1 2022: increase of DKK 678 million) mainly due to higher inventories and debtors, whereas funds tied up in the other elements of working capital decreased by DKK 327 million affected by acquisitions (H1 2022: increase of DKK 700 million).

Cash flow statement

The free cash flow for H1 2023 amounted to DKK 545 million, which was an increase of DKK 235 million compared to H1 2022. In H1 2023, cash flows from operating activities showed a DKK 290 million increase compared to H1 2022 and net investments in property, plant and equipment showed a DKK 35 million increase. Acquisitions showed a DKK 23 million decrease, and dividend received from associates decreased by DKK 16 million.

Developments in individual market segments

Northern Europe

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Volumes (mHL)	3.1	2.9	9	5.4	4.9	10	10.4
Organic volume growth (%)	3	-2		3	-2		-1
Net revenue (mDKK)	2,871	2,444	17	4,931	4,052	22	8,943
Organic net revenue growth (%)	11	11		13	12		10
EBIT (mDKK)				637	537	19	1,247
Organic EBIT growth (%)				19	-9		-6
EBIT margin (%)				12.9	13.3		13.9

Net revenue (mDKK) – selected countries	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Denmark	1,057	866	22	1,829	1,494	22	3,169
Finland	953	855	12	1,582	1,405	13	2,958
Norway	433	356	22	776	535	45	1,495
Sweden	122	112	9	231	188	23	379
Baltics	305	256	19	513	429	20	942

The **Northern Europe** segment represents our multi-beverage businesses in Finland, Norway, Sweden, the Baltic countries, Denmark and Germany. Northern Europe accounted for 81% of Group volumes and 80% of Group net revenue in H1 2023 (H1 2022: 75% of both Group volumes and net revenue).

In Q2 2023, volumes increased by 9% in Northern Europe compared to the same period in 2022, resulting in a 10% increase in H1 2023. Adjusting for acquisitions, the organic volume growth was 3% for both Q2 2023 and H1 2023. The significant price increases implemented in the Baltics has resulted in volume declines impacting the Northern Europe organic volume growth negatively by almost 4 percentage points. Net revenue and profit contribution increased in the Baltics despite of the volume decline.

Net revenue increased by 17% in the quarter and net revenue for H1 2023 was 22% above 2022. The organic net revenue growth of 11% in the quarter and 13% in the first half of 2023 includes a significant negative impact from weaker currencies in Norway and Sweden. Adjusting for this, organic net revenue growth was 14% in the quarter and 16% in the first half of the year.

The strong top line momentum is a combination of the price increases implemented over the past year, despite the extensions of partnerships with PepsiCo and Diageo, which initially are dilutive to the average net revenue per hectolitre.

EBIT for H1 2023 increase by DKK 100 million to DKK 637 million. This includes a negative currency impact of around DKK 30 million from the weaker Norwegian and Swedish Kroner. Adjusting for this, the organic EBIT growth was 24% in H1 2023. The earnings growth is a result of higher sales prices, solid volume growth and extended partnership agreements.

The reported EBIT margin in H1 2023 decreased by 40bp y/y to 12.9%, whereas the organic EBIT margin declined by 1.3 percentage points to 14.1% in H1 2023.

The development in **Denmark and Germany** was positively impacted by the expanded partnership with PepsiCo to also include the border business between the two countries. Net revenue increased by 22% in H1 2023 including a small contribution from Nørrebro Bryghus, which was acquired at the end of 2022. The strong net revenue growth was broadly based with significant volume increases for CSD, energy drinks and water in combination with implemented price increases across all categories.

In the first half of the year, consumer dynamics remained relatively strong as both On-Trade and Off-Trade had higher sales than in H1 2022. The convenience channel also continued at a solid level as the unemployment rate continues to be very low in Denmark.

Royal Unibrew was for the fourth year in a row voted "best supplier" by Danish grocery retail at head office level, acknowledging the high quality and service level we provide toward our customers.

In the first half of 2023, we launched two soft drinks with orange flavor in the name of our iconic Danish soft drink brand Faxe Kondi – one containing sugar (regular) and one sugar free. The launch has been very successful, and we have expanded our market share significantly within the orange segment; at the same time, the launch has expanded the orange segment's share of the total market. As part of the launch, we focused on the sugar free variant, resulting in significantly higher market share than our regular variant as well as competitors' sugar free variants.

In **Finland**, net revenue has increased organically by 13% in the first half of the year as a result of implemented price increases during the past year but also due to solid volume growth. The second quarter started on a soft note with poor weather, an aggressive campaigning environment and implementation of price increases. During May and June, activity picked up due to more favorable weather as well as the launch of Original Long Drink Pineapple. We gained market shares in the total market, especially in the non-alcoholic categories, but RTD and wine and spirits also performed very well.

The consumer remains relatively strong in Finland with continued growth in Off- and On-Trade. Unemployment has started to increase slightly, although from very low levels.

In H1 2023, Hartwall launched a new version of its iconic Original Long Drink. It is a product launch in the name of the well-known Original Long Drink brand, with gin and pineapple instead of gin and grapefruit as the original version. During the summer, it has proved to be a very successful launch by expanding the market for RTD.

The Baltic countries also experienced cold weather in the beginning of the quarter that turned into warmer and more sunny weather later in the quarter. Price increases have been successfully implemented, and we are gaining overall market share driven by CSD and energy drinks. A positive product mix from higher share of craft and premium beer has also supported profitability.

In **Norway** and **Sweden**, the integration of Solera and Hansa Borg is progressing well. Solera Sweden is now up and running on Group IT platform and fully integrated. In Norway, we have launched Cult in the energy drinks segment, and it is off to a satisfactory start, although it is still early days. The Cider/RTD category performed well and was supported by good weather in May and June. Both countries are significantly impacted by the weaker currencies. Further price increases are needed to off-set the impact.

Western Europe

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Volumes (mHL)	0.4	0.6	-29	0.7	0.9	-22	1.6
Organic volume growth (%)	-29	42		-22	35		15
Net revenue (mDKK)	387	456	-15	655	762	-14	1,353
Organic net revenue growth (%)	-15	26		-14	28		10
EBIT (mDKK)				65	129	-50	157
Organic EBIT growth (%)				-50	-16		-46
EBIT margin (%)				9.9	16.9		11.6

Western Europe, representing our multi-niche businesses in Italy and France, accounted for 11% of both Group volumes and net revenue in H1 2023 (H1 2022: 14% of both volumes and net revenue).

In Q2 2023, volumes declined by 29% in Western Europe compared to the same period in 2022, resulting in a 22% decline in H1 2023 as the division was up against very tough comparable growth last year from stocking in the wholesale beer On-Trade channel and as weather in Italy was poor. Net revenue declined by 15% in the quarter, meaning that net revenue for H1 2023 was 14% below 2022.

The first half of 2023 was negatively impacted by continued de-stocking in the Italian wholesale beer channel. A situation that improved during the second quarter of the year and normalized toward the end of the quarter but had a significant impact on both volumes and profitability.

The reported EBIT margin in H1 2023 declined by 7 percentage points y/y to 9.9%. The profitability improved during the second quarter as the Italian wholesale beer channel improved.

EBIT for H1 2023 declined by DKK 64 million to DKK 65 million. The weaker profitability is due to de-stocking in the Italian wholesale On-Trade beer channel, lower than expected volumes and poor weather in Italy.

Sell-out for both CSD and beer in Italy continued to outperform market growth within their respective segments, whereas poor weather in May delayed the start of the high season. The delayed high season also prolonged the normalization of the On-Trade wholesale channel in the beer market. We are now seeing normal order patterns and order sizes and the inventory level in the channel remains low.

Our energy drink business in France continues to grow as a result of continuous improvement of in-store execution, distribution and brand equity building. The Lorina lemonade business declined in H1 2023 as volumes were hit by unnormal price increases taken by the trade on top of our price increases. Sales-out numbers did improve in June and indicated an improvement of the situation.

International

	Q2 2023	Q2 2022	% change	H1 2023	H1 2022	% change	FY 2022
Volumes (mHL)	0.3	0.4	-13	0.5	0.7	-21	1.4
Organic volume growth (%)	-18	11		-25	2		6
Net revenue (mDKK)	336	310	8	561	560	0	1,191
Organic net revenue growth (%)	-9	29		-15	15		17
EBIT (mDKK)				25	67	-63	128
Organic EBIT growth (%)				-51	-29		-32
EBIT margin (%)				4.5	12.0		10.7

The **International** segment comprises the export and license business in markets outside Denmark, Finland, Norway, Sweden, Italy, France and the Baltic countries. In H1 2023, International accounted for 8% of Group volumes and 9% of Group net revenue (H1 2022: 10% of both volumes and net revenue).

Volumes for H1 2023 showed a 21% decline, whereas net revenue was flat. Adjusted for the impact from the acquisition of Amsterdam Brewery, volumes declined organically by 25% and net revenue by 15%. Development was less negative in Q2 2023 compared to the year before with an organic volume decline of 18% (reported: -13%) and an organic net revenue decline of 9% (reported: +8%).

The African beer market was challenged through most of the quarter by political unrest and weak macroeconomic development, but most markets stabilized toward the end of the second quarter. In UK, our Nohrlund contract with one of the world's leading live entertainment companies is promising in the light of a good start of the festival season, and our Supermalt brand is developing satisfactory.

EBIT for H1 2023 amounted to DKK 25 million, which was DKK 42 million below the H1 2022 result. The margin decline from 12.0% to 4.5% in H1 2023 was driven by implementation and start-up investments for the festival contract, costs related to the acquisition of Amsterdam Brewery and negative scale effects. The organic EBIT margin declined by 5.2 percentage points in H1 2023 and by 2.7 percentage points in Q2 2023.

Management's statement

The Board of Directors and the Executive Management have today considered and approved the Interim Report of Royal Unibrew A/S.

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 June 30, as well as of the results of the Group operations and cash flows for the period January 1 – June 30, 2023.

In our opinion, Management's review contains a fair review 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, together with a description of the significant risks and uncertainties facing the Group.

Faxe, August 22, 2023

Executive Management

Lars Jensen
President & CEO

Lars Vestergaard
CFO

Board of Directors

Peter Ruzicka
Chair

Jais Valeur
Deputy Chair

Martin Alsø

Torben Carlsen

Michael Nielsen

Heidi Kleinbach-Sauter

Claus Kærgaard

Christian Sagild

Catharina Stackelberg-Hammarén

For further information on this announcement:
Investor Relations, Jonas Guldborg Hansen, tel. +45 20 10 12 45
Media Relations, Michelle Nørrelykke Hindkjær, +45 25 64 34 31

We invite investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Wednesday, August 23, 2023, at 9.00 am CEST by webcast:

Telephone conference
Access details for participants:
https://register.vevent.com/register/BI7a512e2d6c284eec948e0345f1be3696

Webcast player URL
https://edge.media-server.com/mmc/p/9vasz7yb

Financial calendar for 2023

November 8, 2023	Trading statement for the period January 1 – September 30, 2023

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.

Consolidated income statement

mDKK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Net revenue	**3,595**	**3,211**	**6,147**	**5,373**	**11,487**
Production costs	–2,031	–1,726	–3,552	–2,937	–6,618
Gross profit	**1,564**	**1,485**	**2,595**	**2,436**	**4,869**
Sales and distribution expenses	–847	–841	–1,555	–1,455	–2,926
Administrative expenses	–181	–133	–330	–261	–427
EBIT	**536**	**511**	**710**	**720**	**1,516**
Income after tax from investments in associates	4	–5	4	–9	2
Gain on remeasurements of investments in associates	0	360	0	360	360
Financial income	8	–2	24	1	10
Financial expenses	–68	–13	–135	–26	–103
Profit before tax	**480**	**851**	**603**	**1,046**	**1,785**
Tax on the profit for the period	–92	–79	–117	–120	–294
Net profit for the period	**388**	**772**	**486**	**926**	**1,491**
Profit for the period is attributable to:					
Equity holders of Royal Unibrew A/S	388	772	486	927	1,492
Non-controlling interests	0	0	0	–1	–1
Net profit for the period	**388**	**772**	**486**	**926**	**1,491**
Earnings per share (DKK)	7.8	15.6	9.8	19.2	30.5
Earnings per share (EPS), adjusted*	7.8	8.5	9.8	11.7	23.1
Diluted earnings per share (DKK)	7.8	15.6	9.8	19.2	30.5
Diluted earnings per share (DKK) ,adjusted*	7.8	8.5	9.8	11.7	23.1

* Earnings per share (EPS) is adjusted for gain on remeasurement of investments in associates (DKK 360 million) in 2022

mDKK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Net profit for the period	**388**	**772**	**486**	**926**	**1,491**
Other comprehensive income					
Items that may be reclassified to the income statement:					
Exchange adjustments of foreign group enterprises	–31	9	–112	12	6
Value adjustment of hedging instruments	–11	–66	–2	–19	22
Tax on value adjustment of hedging instruments	6	1	4	1	–3
Total	**–36**	**–56**	**–110**	**–6**	**25**
Items that may not be reclassified to the income statement:					
Actuarial gain on pension schemes	0	0	0	0	3
Total	**0**	**0**	**0**	**0**	**3**
Other comprehensive income after tax	**–36**	**–56**	**–110**	**–6**	**28**
Total comprehensive income	**352**	**716**	**376**	**920**	**1,519**
Comprehensive income for the period is attributable to:					
Equity holders of Royal Unibrew A/S	352	716	376	921	1,520
Non-controlling interests		0		–1	–1
Net profit for the period	**352**	**716**	**376**	**920**	**1,519**

Consolidated balance sheet

Assets

mDKK	June 30, 2023	June 30, 2022	December 31, 2022
NON-CURRENT ASSETS			
Intangible assets	7,287	7,449	7,558
Property, plant and equipment	3,852	3,532	3,680
Investments in associates	96	93	99
Other non-current investments	73	69	79
Non-current assets	**11,308**	**11,143**	**11,416**
CURRENT ASSETS			
Inventories	1,391	1,187	1,213
Receivables	1,959	2,018	1,500
Prepayments	175	117	131
Cash and cash equivalents	124	186	214
Current assets	**3,649**	**3,508**	**3,058**
Assets	**14,957**	**14,651**	**14,474**

Liabilities and Equity

mDKK	June 30, 2023	June 30, 2022	December 31, 2022
EQUITY			
Share capital	100	100	100
Other reserves	1,453	1,534	1,567
Retained earnings	3,272	2,940	2,763
Proposed dividend	0	0	728
Equity contributable to equity holders of Royal Unibrew A/S	**4,825**	**4,574**	**5,158**
Non-controlling interests	0	0	0
Equity	**4,825**	**4,574**	**5,158**
LIABILITIES			
Non-current liabilities			
Deferred tax	971	987	1,011
Mortgage debt	1,008	985	1,009
Credit institutions	3,161	1,739	2,677
Other payables	9	28	9
Non-current liabilities	**5,149**	**3,739**	**4,706**
Current liabilities			
Mortgage debt	2	30	2
Credit institutions	736	1,848	986
Trade payables	2,284	2,280	1,934
Provisions	0	10	11
Corporation tax	9	61	8
Other payables	1,952	2,109	1,669
Current liabilities	**4,983**	**6,338**	**4,610**
Liabilities	**10,132**	**10,077**	**9,316**
Liabilities and equity	**14,957**	**14,651**	**14,474**

Consolidated cash flow statement

for January 1 – June 30

mDKK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Net profit for the period	**388**	**771**	**486**	**926**	**1,491**
Adjustments for non-cash operating items	296	-147	501	17	506
Change in working capital	537	263	106	-247	-480
Net paid financial expenses and income	-58	-17	-110	-26	-76
Financial expenses related to leasing	0	0	0	0	-2
Corporation tax paid	-30	-26	-131	-108	-304
Cash flows from operating activities	**1,133**	**845**	**852**	**562**	**1,135**
Dividend received from associates	0	3	11	27	27
Sale of property, plant and equipment	0	2	1	3	6
Purchase of property, plant and equipment	-158	-152	-267	-234	-475
Acquisition of enterprises	-1	-24	-1	-24	-275
Purchase/sale of intangible and fixed assets and other investments	-2	-17	5	-18	-27
Cash flows from investing activities	**-161**	**-188**	**-251**	**-246**	**-744**
Proceeds from borrowings	171	1	545	472	2,450
Repayment of borrowings	-401	352	-457	351	-1,594
Repayment on leasing facilities	-26	-29	-52	-48	-116
Dividend paid to shareholders	-720	-692	-720	-692	-692
Acquisition of shares for treasury	0	-200	0	-300	-300
Cash flows from financing activities	**-976**	**-568**	**-684**	**-218**	**-252**

mDKK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Change in cash and cash equivalents	-4	89	-83	98	139
Cash and cash equivalents at beginning	129	97	214	86	86
Exchange adjustment	-1	0	-7	2	-11
Cash and cash equivalents end of period	**124**	**186**	**124**	**186**	**214**
Free cash flow					
Net cash from operating activities	1,133	845	852	562	1,135
Net cash used in investing activities	-158	-147	-255	-204	-442
Payment of lease liabilities	-26	-29	-52	-48	-116
Free cash flow	**949**	**669**	**545**	**310**	**577**

Consolidated statement of changes in equity

for January 1 – June 30

mDKK	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 December 31, 2022	**100**	**1,573**	**–41**	**35**	**1,567**	**2,763**	**728**	**5,158**	**0**	**5,158**
Changes in equity in 2023										
Net profit for the year					0	486		486		486
Other comprehensive income			–112	–2	–114	0		–114		–114
Tax on other comprehensive income					0	4		4		4
Total comprehensive income	**0**	**0**	**–112**	**–2**	**–114**	**490**	**0**	**376**	**0**	**376**
Dividends paid to shareholders					0		–720	–720		–720
Dividend on treasury shares					0	8	–8	0		0
Share-based payments					0	11		11		11
Total shareholders	**0**	**0**	**0**	**0**	**0**	**19**	**–728**	**–709**	**0**	**–709**
Total changes in equity January 1 – June 30, 2023	**0**	**0**	**–112**	**–2**	**–114**	**509**	**–728**	**–333**	**0**	**–333**
Equity at June 30, 2023	**100**	**1,573**	**–153**	**33**	**1,453**	**3,272**	**0**	**4,825**	**0**	**4,825**

The share capital at June 30, 2023 amounts to DKK 100,400,000 (2022: DKK 100,400,000) and is distributed on shares of DKK 2 each.

Consolidated statement of changes in equity

for January 1 – June 30

mDKK	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 December 31, 2021	**98**	**753**	**-47**	**13**	**719**	**1,805**	**708**	**3,330**	**12**	**3,342**
Changes in equity in 2022										
Net profit for the year					0	927		927	-1	926
Other comprehensive income			12	-19	-7			-7		-7
Tax on other comprehensive income					0	1		1		1
Total comprehensive income	**0**	**0**	**12**	**-19**	**-7**	**928**	**0**	**921**	**-1**	**920**
Capital increase	2	1,063			1,063			1,065		1,065
Capital increase adjustment to fair value		-241			-241			-241		-241
Minority's share of sold business					0	21		21	-11	10
Dividends paid to shareholders					0		-692	-692		-692
Dividend on treasury shares					0	16	-16	0		0
Acquisition of shares for treasury					0	-300		-300		-300
Transfer of treasury shares as acquisition of enterprises					0	467		467		467
Share-based payments					0	3		3		3
Total shareholders	**2**	**822**	**0**	**0**	**822**	**207**	**-708**	**323**	**-11**	**312**
Total changes in equity January 1 – June 30, 2022	**2**	**822**	**12**	**-19**	**815**	**1,135**	**-708**	**1,244**	**-12**	**1,232**
Equity at June 30, 2022	**100**	**1,575**	**-35**	**-6**	**1,534**	**2,940**	**0**	**4,574**	**0**	**4,574**

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 Annual report for 2022 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 make 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.

Note 2 Assets and derivative financial instruments measured at fair value

mDKK	June 30, 2023	June 30, 2022	December 31, 2022
Derivative financial instruments	34	-6	45

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 2023

mDKK	Northern Europe	Western Europe	Inter-national	Un-allocated	Total
Net revenue	4,931	655	561		6,147
Amortization and depreciation	228	25	13	0	266
Impairment	0	0	0	0	0
Earnings before interest and tax (EBIT)	637	65	25	-17	710
Sales (million hectoliters)	5.4	0.7	0.5		6.6

H1 2022

mDKK	Northern Europe	Western Europe	Inter-national	Un-allocated	Total
Net revenue	4,052	762	560	0	5,373
Amortization and depreciation	180	28	15	-3	220
Impairment	0	0	0	0	0
Earnings before interest and tax (EBIT)	537	129	67	-13	720
Sales (million hectoliters)	4.9	0.9	0.7		6.5

FY 2022

mDKK	Northern Europe	Western Europe	Inter-national	Un-allocated	Total
Net revenue	8,943	1,353	1,191	0	11,487
Amortization and depreciation	394	52	34	1	481
Impairment	0	0	0	0	0
Earnings before interest and tax (EBIT)	1,247	157	128	-16	1,516
Sales (million hectoliters)	10.4	1.6	1.4		13.4

Effective January 1, 2022, segments have changed from Western Europe, Baltic Sea and International to Northern Europe, Western Europe and International. This is consistent with the Group's internal management and reporting structure.

Segment assets, segment liabilities and related disclosures are not provided to management on a regular basis and are therefore not disclosed.

Notes to the Interim report

Note 3 Segment reporting (continued)

Geographically, revenue and non-current assets break down as follows:

mDKK	H1 2023 Net revenue	H1 2022 Net revenue	FY 2022 Net revenue	H1 2023 Non-current assets	H1 2022 Non-current assets	FY 2022 Non-current assets
Denmark	1,829	1,494	3,169	2,061	1,938	1,930
Finland	1,582	1,405	2,958	3,486	3,368	3,447
Norway	776	535	1,495	2,015	1,350	2,271
Other countries	1,960	1,939	3,865	3,746	4,487	3,768
Total	**6,147**	**5,373**	**11,487**	**11,308**	**11,143**	**11,416**

The geographic breakdown is based on the geographic location of the Group's external customers and comprises countries that individually account for more than 10% of the Group's net revenue as well as the country in which the Group is headquartered.

No single customer accounts for revenue in excess of 10% of the Group's net revenue.

Revenue by category

mDKK	H1 2023	H1 2022	FY 2022
Beer revenue	1,870	1,698	3,557
Other beverages	4,071	3,567	7,805
Other revenue	206	108	125
Total	6,147	5,373	**11,487**

Note 4 Cash flow statement

mDKK	H1 2023	H1 2022	FY 2022
Adjustments for non-cash operating items			
Financial income	-24	-1	-10
Financial expenses	135	26	103
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	267	221	487
Tax on the profit for the period	117	120	294
Income from investments in associates	-4	9	-2
Gain on remeasurements of investments in associates	0	-360	-360
Profit and loss from sale of property, plant and equipment	-1	-1	-6
Share-based payments and remuneration	11	3	0
Total	**501**	**17**	**506**

Notes to the Interim report

Note 5 Acquisition of subsidiaries

Acquisition after the reporting period
On July 3, 2023, Royal Unibrew signed an agreement to acquire 100% of Vrumona from Heineken. Closing of the transaction is expected to happen in either September or October this year. The acquisition is based on an enterprise value of EUR 300 million on a debt free basis. Vrumona's net revenue was in 2022 EUR 200 million whereas normalized EBITDA in 2022 was EUR 25 million.

On July 21, 2023, Royal Unibrew announced the signing of an agreement to acquire a production facility in San Giorgio di Nogaro, Italy, from Bierra Castello. Royal Unibrew will take full ownership of the assets later this year once certain transaction-related processes have been fulfilled.

Acquisitions in 2022

Acquisition of full ownership of Hansa Borg Bryggerier
On January 7, 2022, Royal Unibrew A/S entered into an agreement to acquire the remaining 75% of Hansa Borg Bryggerier, of which Royal Unibrew already had 25% ownership, resulting in a 100% ownership of the company. The acquisition was completed on May 25, 2022. Hansa Borg Bryggerier is Norway's second largest brewery and beverage company with four breweries and one bottling plant throughout the country and products ranging from beers to ciders, carbonated soft drinks, water and wines for the Norwegian market.

Together with Solera Beverage Group, which Royal Unibrew acquired in September 2021, Hansa Borg Bryggerier is strategically very important for our Norwegian business as it in combination with Solera will create a strong player with a very strong beverage portfolio in Norway and thereby strengthen our multi-beverage presence.

The transaction is based on an enterprise value (at signing) of NOK 3.3 billion. With the share price at closing (587) the final enterprise value for 100% of the company was NOK 2.6 billion (DKK 1.9 billion). Hansa Borg Bryggerier was expected to generate normalized full-year revenue in 2022 of around NOK 1.4 billion with a normalized EBITDA of around NOK 210 million, resulting in an acquisition multiple (EV/EBITDA) of 12.4 times at closing. The already owned 25% of Hansa Borg Bryggerier was revalued in connection with the transaction, resulting in a non-cash tax-free remeasurement of DKK 360 million.

According to the agreement, 10% of the payment, corresponding to NOK 224 million (DKK 162 million), was paid in cash, while the remaining 90% of the payment was paid in Royal Unibrew shares (2,194,257 shares).

The acquisition price exceeded the fair value of the acquired assets, liabilities and contingent liabilities. The difference is the expected value of synergies and future growth opportunities. Synergies are not recognized separately from goodwill. Goodwill is not eligible for tax depreciation.

Royal Unibrew A/S has incurred transaction costs relating to the acquisitions of approx. DKK 5 million for financial and legal advisors in connection with the realization of the transaction. The costs are recognized as administrative expenses and split equally in 2021 and 2022.

The acquisition has been included in the consolidated financial statements of Royal Unibrew as of the date of acquisition. Royal Unibrew has made the following calculation of the fair value of the acquired net assets and of goodwill at the time of the acquisition:

mDKK	
Trademarks	698
Distribution rights	7
Customer relations	27
Property, plant and equipment	629
Inventories	143
Receivables	238
Prepayments	29
Deferred tax	-244
Debt including leasing	-34
Trade payables	-101
Other payables	-499
Acquired net assets	**893**
Goodwill	903
Estimated fair value of the business	**1,796**
Acquired cash at bank and in hand	138
Total acquisition price	**1,934**
Fair value of existing 25% shareholding	-483
Total acquisition price	**1,451**
Transfer of:	
Issue of new shares	821
Treasury shares	467
Cash	163
Total consideration, 75% shareholding	**1,451**
Number of employees	296

The receivables acquired include trade receivables of a fair value of DKK 180 million corresponding to the gross amount receivable according to contract.

Notes to the Interim report

Note 5 Acquisition of subsidiaries (continued)

Acquisition of Amsterdam Brewery Co. Ltd.
On July 15, 2022, Royal Unibrew entered into an agreement to acquire 100% of the Toronto-based company Amsterdam Brewery Co. Ltd.

The Canadian based company is a large-scale craft brewery with a potential to increase both capabilities and capacities during the coming years. Moreover, the acquisition will support future growth of Royal Unibrew in the Americas region by adding capacity in Canada, which is also close to our US business. Over time we, expect to serve most of Canada and partly US from Amsterdam Brewery Co. Ltd., which will reduce transportation costs and our CO_2 footprint.

The acquisition is based on an enterprise value of DKK 241 million on a debt free basis. The company has normalized revenue of around CAD 34 million (around DKK 200 million) and a normalized EBITDA of around CAD 5 million (around DKK 28 million).

Royal Unibrew A/S has incurred transaction costs relating to the acquisitions of approximately DKK 2 million for financial and legal advisors in connection with the realization of the transaction. The costs are recognized as administrative expenses in 2022.

The acquisition has been included in the consolidated financial statements of Royal Unibrew as of the date of acquisition.

mDKK	
Intangibles	103
Property, plant and equipment	83
Inventories	22
Receivables	8
Prepayments	8
Deferred tax	-25
Debt including leasing	-21
Trade payables	-11
Other payables	-24
Acquired net assets	**143**
Goodwill	98
Estimated fair value of the businesses	**241**
Acquired cash at bank and in hand	0
Cash consideration	**241**
Number of employees	247

Baldersbrønde Bryggeri A/S (Nørrebro Bryghus)
On December 30, 2022, Royal Unibrew acquired 100% of the shares in Baldersbrønde Bryggeri A/S (Nørrebro Bryghus) in Denmark.

With the acquisition, Royal Unibrew take over an exciting range of organic craft beers, adding to Royal Unibrew's portfolio of craft beers strengthening Royal Unibrew's position in Copenhagen.

Group impact
If the acquisitions had occurred on January 1, 2022, consolidated pro-forma revenue and EBITDA for the period ended December 31, 2022, of the combined Group would have been approximately DKK 12,111 million (2021 DKK 9,756 million) and DKK 2,069 million (2021 DKK 2,141 million), respectively.

Financial highlights and ratios

per quarter

	Q1 2023	Q1 2022	Q2 2023	Q2 2022
Volumes (mHL)	2.8	2.7	3.9	3.8
Income statement (mDKK)				
Net revenue	2,552	2,162	3,595	3,211
EBITDA	302	317	674	623
EBITDA margin (%)	11.8	14.7	18.7	19.4
Earnings before interest and tax (EBIT)	174	209	536	511
EBIT margin (%)	6.8	9.7	14.9	15.9
Result after tax from investments	0	-4	4	355
Other financials, net	-51	-10	-60	-15
Profit before tax	123	195	480	851
Net profit for the period	98	154	388	772
Balance sheet (mDKK)				
Non-current assets	11,220	8,780	11,308	11,143
Total assets	14,523	11,335	14,957	14,651
Equity	5,182	3,442	4,825	4,574
Net interest-bearing debt	4,887	4,012	4,783	4,416
Net working capital	-214	-566	-711	-1,080
Invested capital	10,900	8,064	10,410	9,815
Cash flows (mDKK)				
From operating activities	-281	-283	1,133	845
From investing activities	-97	-57	-158	-147
Payment of lease liabilities	-26	-19	-26	-29
Free cash flow*	-404	-359	949	669

	Q1 2023	Q1 2022	Q2 2023	Q2 2022
Financial ratios (%)				
Free cash flow as a percentage of net revenue	-16	-17	26	21
Cash conversion	-412	-233	245	87
Net interest-bearing debt/EBITDA*	2.5	1.3	2.4	2.2
Equity ratio	36	30	32	31

* Running 12 months

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

Financial highlights and ratios

for January 1 – June 30, 2019–2023

	2023	2022	2021	2020	2019
Volumes (mHL)	6.6	6.5	6.0	5.3	5.5
Income statement (mDKK)					
Net revenue	6,147	5,373	3,905	3,457	3,971
EBITDA	976	940	927	833	879
EBITDA margin (%)	15.9	17.5	23.7	24.1	22.1
Earnings before interest and tax (EBIT)	710	720	750	663	710
EBIT margin (%)	11.6	13.4	19.2	19.2	17.9
Income after tax from investments in associates	4	351	15	4	9
Other financials, net	-111	-25	-16	-19	-19
Profit before tax	603	1,046	749	648	700
Net profit for the period	486	926	594	505	541
Balance sheet (mDKK)					
Non-current assets	11,308	11,143	7,123	6,974	7,099
Total assets	14,957	14,651	9,101	8,837	8,907
Equity	4,825	4,574	2,889	3,545	2,663
Net interest-bearing debt	4,783	4,416	2,618	2,114	3,000
Net working capital	-711	-1,080	-990	-650	-749
Invested capital	10,410	9,815	5,908	6,076	6,068
Cash flows (mDKK)					
From operating activities	852	562	885	702	715
From investing activities	-307	-252	-202	-112	-102
Free cash flow	545	310	683	590	613

	2023	2022	2021	2020	2019
Share ratios (DKK per share of DKK 2)					
Earnings per share (EPS)	9.8	19.2	12.3	10.1	10.9
Earnings per share (EPS), adjusted*	9.8	11.7	12.3	10.1	10.9
Free cash flow per share	11.0	6.2	14.2	12.0	12.3
Year-end price per share	610.0	628.4	798.8	551.8	479.0
Financial ratios (%)					
Free cash flow as a percentage of net revenue	9	6	17	17	16
Cash conversion	112	33	115	117	113
Net interest-bearing debt/EBITDA**	2.4	2.2	1.3	1.2	1.7
Equity ratio	32	31	32	40	30

* Earnings per share (EPS) is ajusted for gain on remeasurement of investments in associates (DKK 360 million) in 2022
** Running 12 months

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