



Update on Ukraine and Russia; suspension of 2022 guidance

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As each day passes, our shock increases at the terrible humanitarian crisis unfolding in Ukraine. Thousands of lives are being lost and millions of people are being impacted. We stand alongside the Ukrainian people and people around the world in condemning the Russian invasion in the strongest possible terms. We are fully committed to adhering to all relevant sanctions rightly imposed by the European Union and other international bodies.

Our first priority remains the safety and wellbeing of our more than 1,300 colleagues in Ukraine. We have established an emergency shelter to accommodate those of our employees and their families who had to leave their homes. In addition, we are actively using our facilities and skills in Ukraine and neighbouring countries to provide humanitarian support to both our employees and other Ukrainian people, including providing shelter, transport, food and fresh water. As previously communicated, we, together with the Carlsberg foundations, have made a EUR 10 million donation to support humanitarian efforts in Ukraine.

We are also, rightly, being asked questions about our business in Russia.

We feel a moral obligation to our Russian colleagues who are an integral part of Carlsberg, and who are not responsible for the actions of the Government. We have been owners of Baltika Breweries since 2000 and majority owners since 2008. Our 8,400 employees in Baltika represent more than one in every five of our total global workforce. They value working for Carlsberg, which is known for honesty, fairness and a strong values-led culture.

However, this cannot be business as usual. Last week, we announced that there would be no new investments or exports from Carlsberg Group into Russia. Since then, we have ceased all advertising by both the Carlsberg Group and Baltika Breweries in Russia, and we will stop producing and selling our flagship brand, Carlsberg, in the Russian market. Baltika Breweries will be run as a separate business, with the purpose of sustaining our employees and their families.

The future is highly unpredictable and we are reviewing a full range of strategic options for our Russian business. During the humanitarian crisis, we are committing that any profits generated by the business in Russia will be donated to relief organisations.

The development in Ukraine and Russia will negatively impact the Group's financial results for 2022. The Group's assets in both markets may also be subject to non-cash impairment and write-down. In 2021, Russia and Ukraine accounted for approximately 13% of Group revenue and approximately 9% of the operating profit from our three regions.

The markets outside Russia and Ukraine are currently seeing only a limited business impact. However, the indirect impact from rising commodity prices, including energy, will have a negative, but currently unquantifiable, impact on cost of goods sold and logistics cost for the year.

Due to the very high uncertainty related to Ukraine and Russia and the possible indirect impact on the rest of the Group, we do not consider it prudent to provide guidance for 2022 and are therefore suspending our earnings guidance for the year. We are following the situation closely and will provide updates to the market as our visibility on earnings increases.

Our hearts and thoughts are with the people of Ukraine. It is our profound hope that peace is urgently restored.

Cees 't Hart
CEO

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Attachments

- [13_09032022_Update on Ukraine and Russia_suspension of 2022_guidance.pdf](#)