

ANNUAL REPORT

2023/24



ANNUAL REPORT 2023/24

THE YEAR IN BRIEF

Chair of the Board of Directors	4
The leader of the management team.....	6
Financial results	8
Results and expectations	9
Key figures and ratios	10

OUR BUSINESS AND RESULTS

Harboe is the People's Brewery	11
Equity story.....	13
Business model	14
Strategy	15
Sustainability	18
Financial statement	23
Harboe Beverage	27
Harboe Ingredients	33

GOVERNANCE

Risk factors, financial reporting and control.....	37
Corporate Governance	42
Shareholder relations	45
Harboe's Board of Directors	49
Harboe's management.....	52

ANNUAL REPORT 2023/24

Statement by the Executive Board and the Board of Directors regarding the annual report.....	53
Independent auditors' report	54

Link to our other reports

 [Corporate Governance
statement](#)

 [ESG report
2023/24](#)

 [Remuneration
report 2023/24](#)



“It is our ambition to further equip Harboe for the future and create greater value for all our stakeholders. Our culture, values and team spirit within the organisation are felt every day, and we support it all with a strategic effort to make Harboe an attractive workplace that can attract, retain and develop its talents”

Søren Malling

CEO

Letter from the Board of Directors

THE STRATEGY CREATES MOMENTUM AND IMPROVED EARNINGS

Strategy provides momentum and improved earnings

Our 2023/24 results show that we are well on track with our strategy and that the many strategic initiatives are working as intended. We are not yet where we want to be, but we are pleased to have regained momentum and will continue the strategic initiatives over the coming years.

Our goal is to create further growth and continuously improve earnings – creating an attractive return on investment for our shareholders. Our journey will continue to be based on the strong values created through six generations of family ownership, but it is also a journey to strengthen our own and the outside world's perception of our mission and vision.

Positioning of own brands

For many years, our business was largely based on delivering large volumes to retail customers – often with private label products. Simply put,

our basis was that we sold what we could produce. However, a lot has changed over the years, including the demands of our customers and consumers. We listen, and we also believe that Harboe has something special to offer that aligns well with the trends in consumer shopping patterns. We want to continue making good quality accessible to everyone at a reasonable price. However, increasingly, we want to do it under our own brands and be recognised and acknowledged for it. We want to be “The People’s Brewery” and the preferred choice in the value-brand segment.

The journey has begun in the Danish market, where we have revitalised our Harboe brand, launched a Harboe pilsner with a new flavour and a number of other new products, and we have supported the Harboe brand with a broad marketing campaign on TV and a wide range of other media. The activities have been well received by customers and consumers, and we



believe that this has helped us expand our exposure in the Danish retail sector. We will continue to build on these activities in the coming years and apply the lessons learnt to our other markets.

Investments in capacity and efficiency

The main headlines of our strategy are to get closer to consumers, restore growth and strengthen our foundation. We are well underway in all areas, and we have also made significant progress internally. Over the past year, we have invested in further production efficiency and improved resource utilisation, securing important savings. In the coming years, we will invest further in new production technology to ensure that we have the necessary capacity to meet the expected growth in activities while meeting increasing demands for efficiency and sustainability.

Ambitions for the future

We will continue to work to realise our strategy and financial targets, taking into account the continued intense competition and changing market conditions. This will place great demands on our ability to act dynamically, and we must continuously keep a sharp eye on both the opportunities and risks this entails.

Our employees are a crucial factor in remaining competitive and achieving our goals, and we will continue our efforts to inform and involve the organisation on Harboe's strategic priorities, values and the strong community they are part of.

6th generation

The significant improvement of results in the past year and our expectations for the coming year illustrate, that we have succeeded in turning our

business around, following a number of years with huge challenges and unsatisfactory results. In the Board of Directors, in the daily management and throughout the organisation, we have worked hard to recreate positive results and establish an organisation and a management team able to create value once again for all of our stakeholders. The results are also driven by the many strategic initiatives over the past years, which have strengthened our foundation and financial position - and prepared us for the future. Harboe's Brewery is back in good order, and we expect to create growth and improve earnings further over the coming years. On this backdrop, I find that time is right for me to withdraw from the Board of Directors, and with pride in our company and faith in the future to hand over Harboe's Brewery to the next generation.

I look forward over the coming years to follow our talented and committed management and employees continuing our strategic initiatives, building on the positive momentum and creating improved results for the benefit of our shareholders, customers and business partners.

At the Annual General Meeting in August, the Board of Directors will propose Attorney Martin Lavesen, Managing Partner in DLA Piper, for election as a new independent member of the Board.

Bernhard Griese

Chair of the Board of Directors

"We want to continue making good quality accessible to everyone at a reasonable price. However, increasingly, we want to do it under our own brands and be recognised and acknowledged for it."



Letter from the management team

IMPROVED PERFORMANCE AND STRATEGIC PROGRESS

We are pleased with the performance in 2023/24, and the progress was driven by increased business volumes in both business areas and all three of our geographical segments.

Among other places, the increased business volume has been created in Denmark, where our products are now more widely distributed. We also generally see increased activity in the lower price segment, where our Harboe products are positioned, and this contributes to the growth. As part of the strategy and to support the Harboe brand in Denmark, for the first time we executed a broad marketing campaign with significant exposure to Danish consumers, and received very positive feedback.

New products gain market share

We will continue to support the Harboe brand and develop our already well-established platform in the Danish market. Here, we base

our close dialogue with customers on consumer insights, category knowledge and a focus on sustainability when collaborating on assortment composition and new products. In the past year, we have launched Harboe pilsner with a new flavour and a number of new sugar-free products in line with growing consumer demand. Our 0.0% pilsner, launched at the beginning of the financial year, became the best-selling non-alcoholic beer in the value-brand segment in Denmark within a few months, and we are delighted with this recognition.

We also increased net revenue in the German market, especially driven by expanded private label business. In Germany, we also have a local presence with our Darguner brand, which is developing positively, but the majority of our business here is based on private label contracts. In the coming year, we will continue to focus on high-volume business in order to efficiently utilise our capacity and ensure sensible earnings.



Increasing demand in export markets

Export markets developed particularly positively, especially in Africa and the Americas, where the stabilisation of freight prices helped increase demand and restore growth in activities. Here too, we are increasingly supporting sales with consumer insights and targeted marketing initiatives in collaboration with customers, and we expect the business to continue to grow in the coming year.

From left:
Simon Andersson, CFO
Martin Schade, CCO
Vibeke Harboe Malling, CPO
Søren Malling, CEO
Sascha Hennings, COO

We will work to create the optimal framework for growth while meeting regulatory and sustainability requirements throughout our value chain.

The demand for ingredients that meet sustainability and clean label food requirements remains strong, but there is also intense competition and pressure on sales prices.

We succeeded in increasing net revenue in Ingredients, where the launch of a number of new products based on fruit extract contributed to growth and developed positively.



Investing in efficiency improvements

As part of our strategy, we have an intensive internal focus on streamlining and optimising all parts of production and supply chains, and in 2023/24 these efforts have contributed to significant cost savings.

Sustainability is an integral part of our business model and is factored into every investment decision we make. We have established a solar plant at our brewery in Dargun and are currently looking at a similar solution in Skælskør, which will both green our energy supply and reduce our dependence on external suppliers.

We have initiated a major investment in a new production facility in Skælskør that will support the expected growth. At the same time, we are carrying out an optimisation project that will ensure further savings and efficiencies across production and supply chains in the future.

We will continue to invest in growth over the coming years – both in the commercial part of the business and in continuing to update our production facilities. We will work to create the optimal framework for growth while meeting regulatory and sustainability requirements throughout our value chain.

Responsibility is high on the agenda

It is our ambition to further equip Harboe for the future and create more value for all our stakeholders. Our culture, values and team spirit within the organisation are felt every day, and we support this with significant efforts to make Harboe an attractive workplace that can attract, retain and develop its talents.

Responsibility towards the world around us will remain high on the agenda, and in the coming year we will continue to work on strengthening our sustainability reporting and generally

strengthening relationships with our key stakeholders, business partners and the communities around us.

The support from our employees is unique, and they play a crucial role in the positive development of our results. Therefore, we would also like to thank our employees for their efforts and we look forward to working with them, our customers and business partners to create continued momentum and further improved results in 2024/25.

Søren Malling Simon Andersson
CEO CFO

Martin Schade Sascha Hennings
CCO COO

Vibeke Harboe Malling
CPO

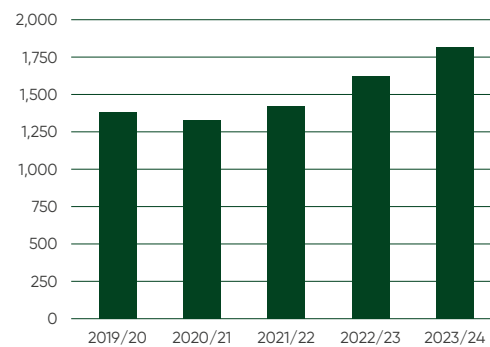
FINANCIAL RESULTS

Highlights for the year

Harboe's performance in 2023/24 was in line with the most recently announced expectations. The results were positively impacted by increasing net revenue in both Beverage and Ingredients, and driven by growth in all three geographical market segments.

The increase in net revenue is primarily due to a combination of increased volumes in strategic growth markets, necessary price increases and new product launches, as well as a positive product mix.

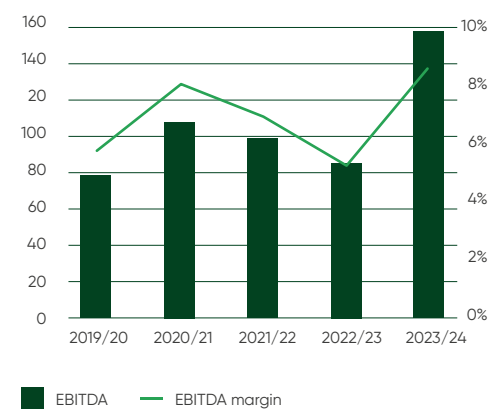
Net revenue, mDKK



Net revenue in 2023/24 totalled mDKK 1,817, corresponding to an increase of 12%.

In Beverage, net revenue increased by 11% driven by higher net revenue in all geographical segments. In Ingredients, net revenue increased by 21%, mainly driven by new business activities.

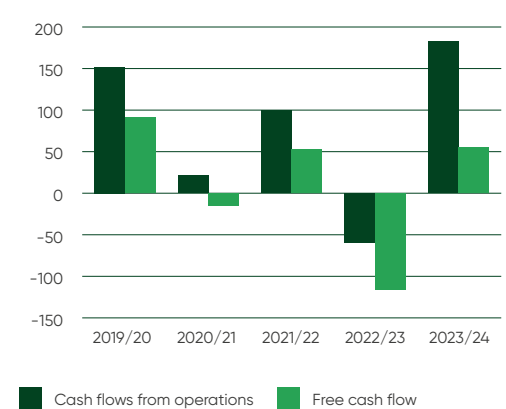
EBITDA, mDKK and EBITDA margin



EBITDA totalled mDKK 158 in 2023/24 compared to mDKK 85 in 2022/23. The earnings growth was primarily driven by improved product mix in both business areas and implemented efficiency improvements in production and supply chains. The EBITDA margin increased to 8.7%.

EBITDA in Beverage increased from mDKK 108 to mDKK 173 in 2023/24, and Ingredients increased from mDKK 15 to mDKK 30 in 2023/24.

Cash flows, mDKK



Cash flow from operations was positive at mDKK 182.

RESULTS AND EXPECTATIONS

	Expectations for 2023/24 (Annual Report 2022/23)	Expectations for 2023/24 (as of 28 November 2023)	Expectations for 2023/24 (as of 11 March 2024)	Realised results 2023/24
EBITDA	mDKK 100-130	mDKK 120-150	mDKK 155-165	mDKK 158
Profit before tax	mDKK 10-40	mDKK 30-60	mDKK 65-75	mDKK 68



As expected

- Continued intense competition and pressure on sales prices.
- Positive development in both business areas with increasing activity and improved earnings.
- Continued investments in new technology, efficiency measures and resulting cost savings.



Better than expected

- Improved product mix in both business areas had a positive impact on earnings.
- Expanded private label agreements in Germany and increased distribution in Denmark support the net revenue development.
- Developing new business activities and launching new products in Ingredients contributes to both growth and earnings.
- Stabilisation of energy and freight prices stimulated volumes in export markets, which developed more positively than expected.

Expectations for 2024/25

EBITDA	mDKK 150-190
Profit before tax	mDKK 60-100



Assumptions

- Continued intense competition and pressure on sales prices.
- Maintaining volume in Beverage based on expected growth in Scandinavia and export markets, while volume in Germany is expected to decrease.
- Expected volume growth in Ingredients driven by new business areas.
- Continued investments in new technology, efficiency measures and resulting cost savings.
- Continued uncertainty about price developments for raw materials, packaging, energy and freight rates.

KEY FIGURES AND RATIOS

	2023/24	2022/23	2021/22	2020/21	2019/20
Sales volume					
Beverage (thl)	4,699	4,670	4,419	4,351	4,625
Ingredients (tonnes)	13,650	13,546	13,176	14,335	15,403
Income statement (tDKK)					
Net revenue	1,817,069	1,621,066	1,419,353	1,328,184	1,379,873
EBITDA	158,015	85,116	98,876	107,786	78,193
Primary operations/EBIT	77,103	-2,963	-796	10,026	-26,663
Financial items, net	-9,231	-6,058	-6,161	-6,783	-5,429
Profit before tax	67,872	-9,021	-6,957	3,243	-32,092
Net result for the year from continuing operations	54,761	-4,338	-4,227	1,659	-23,068
Profits from discontinued operations	0	24	4,288	3,573	-9,591
Net result for the year	54,761	-4,314	61	5,232	-32,659
Balance sheet (tDKK)					
Total assets	1,320,426	1,199,647	1,143,022	1,141,069	1,219,805
Equity	731,566	676,634	680,903	679,792	673,760
Net interest-bearing debt	143,509	198,535	82,930	135,761	120,414
Cash flows (tDKK)					
Cash flows from operations	182,011	-58,785	100,134	21,402	151,452
Cash flows from investment	-127,041	-57,066	-47,119	-36,256	-60,379
Cash flows from financing	-31,257	78,838	-23,384	-14,179	5,329
Change in cash and cash equivalents	23,713	-37,013	29,631	-29,033	96,402
Free cash flow	54,970	-115,851	53,015	-14,854	91,073
Investments (tDKK)					
Intangible assets	0	0	1,219	756	5,311
Tangible assets	129,245	61,517	49,244	35,997	65,283
Depreciation, amortisation and write-downs	80,912	88,079	99,672	97,760	104,856

Key figures and ratios are defined and calculated in accordance with CFA Society Denmark's current version of the "Financial Ratio Guide".

	2023/24	2022/23	2021/22	2020/21	2019/20
Key ratios (%)					
EBITDA margin	8.7	5.3	7.0	8.1	5.7
Profit margin	4.2	-0.2	-0.1	0.8	-1.9
Solvency ratio	55	56	60	60	55
Financial gearing	20	29	12	20	18
Liquidity ratio	160	154	166	161	141
Net interest-bearing debt/EBITDA	0.9	2.3	0.8	1.3	1.5
ROIC	6.8	-0.2	-0.1	0.9	-2.3
Shareholdings (DKK)					
Profit per share	13.0	-1.0	0.0	1.2	-7.4
Cash flow per share	43.1	-13.9	23.7	5.1	35.0
Book value per share	173.2	160.2	161.2	161.0	159.5
Price/earnings per share	0.1	0.0	0.0	59.7	0.0
Stock price, end of year	122.5	74.0	77.8	74.0	51.0
Dividend per share	2.0*	0.0	0.0	0.0	0.0
NON-FINANCIAL RATIOS					
Workforce					
Number of full-time staff	531	520	504	517	560
Sickness absence, %	4.8	6.4	6.4	5.7	7.1
Women, %	22	20	19	17	19
Women at management level, %	24	27	29	19	27
Climate and environment					
Total energy consumption, GWh	87.3	87.9	95.2	95.4	101.2
Carbon from production, million kg	16.0	19.5	14.9	16.0	17.0
Total water consumption, million litres	1,431	1,377	1,428	1,421	1,500
Relative production figures					
Energy consumption, kWh/hl	15.3	14.9	16.9	16.9	16.9
Carbon from production, kg/hl	2.8	3.2	2.7	2.8	2.8
Water consumption, l/hl	250	233	253	253	250

* Proposed dividend

HARBOE IS THE PEOPLE'S BREWERY

Harboe is Denmark's third largest brewery, and together with our subsidiary in Germany, Darguner Brauerei GmbH, we produce and market our beverages and malt-based ingredients in a wide range of markets worldwide.

Harboes Bryggeri A/S is listed on Nasdaq Copenhagen, and the Harboe family has co-owned and managed the company since 1883.

Today, the family's fifth and sixth generations are part of the top management and have a controlling influence among the company's approximately 5,000 shareholders. Our company is based on strong values, which are the starting point for everything we do.

We are anchored locally and are active in the local communities of which we are a part. The local anchoring has secured the basis for being able to recruit skilled and highly motivated employees who help to ensure a good and stable workplace.

OUR PURPOSE

Brewing people together

We brew to bring people together, and we have been doing it every day since 1883. We brew honest and straightforward products with heart and soul. Our humble and simple goal is to make good quality more accessible. So it's not for a select few, but for all of us. When we get together in the sun and on the pitch. On a bench or in a castle. When we relax and when we have a party. For Christmas parties and weekday evenings. From around the corner out into the great wide world. We proudly deliver the beers and water that most people love. That is why we call ourselves the People's Brewery.

Just so we never forget who we are here for.



CASE STORY

Harboes Bryggeri celebrated its 140th anniversary

On 2 August 1883, the first wooden barrels of beer were sent off by horse-drawn cart from the new brewery in Skælskør, founded by brothers Jørgen and Adolph Harboe and merchant Jørgen Lotz.

This was the first step in Harboe's 140-year history, which has led to the still family-run brewery group that today produces beer, soft drinks and ingredients in Denmark and Germany and markets its products in 90 markets worldwide.

On the day, the anniversary was celebrated with a cake in the staff restaurant, and later in the month a big 140th anniversary party was held for all the employees from both Skælskør and Dargun.

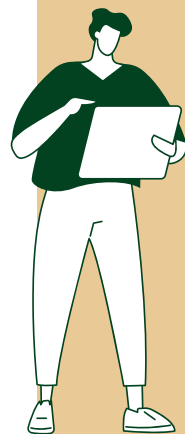


EQUITY STORY

We want to be the preferred choice in the value-brand segment in Denmark and strengthen our position in our priority markets.

Our "The People's Brewery" strategy will pave the way for continued growth based on a strong capital structure and focus on sustainability.

Our goal is to create long-term value and an attractive return for our shareholders.



Strategy and goals for utilising potential for growth and value creation

- Strengthen own brands through stronger consumer positioning and being the preferred choice in the lower price segment
- Enter into high-volume private label contracts for efficient utilisation of capacity and skills
- Strengthen and streamline production and supply chains

Good cash flows and solid capital structure create a foundation for continued investments that support increasing growth and earnings

Sustainability integrated into the business with ambitious climate and social responsibility goals

BUSINESS MODEL



Resources

PEOPLE AND KNOWLEDGE

Harboe's development is driven by skilled, committed and loyal employees who translate their experience and knowledge into high-quality products. Harboe's values and history are an important part of the company's culture and create a strong foundation for continued development.

INNOVATION AND EFFICIENCY

Innovation and efficient utilisation of our resources throughout the value chain are essential elements of Harboe's business model and a crucial factor for continued sustainable growth and value creation.

FINANCIAL CAPACITY

Harboe is well-consolidated and constantly focusing on creating a positive cash flow from operations. This provides flexibility for funding continued development and strategic initiatives.

Raw materials and suppliers

We source our raw materials from local and international suppliers who can meet our requirements for quality, reliability of delivery, sustainability and on competitive terms. Our cooperation with suppliers is often long-standing and based on mutual value and development.

We ensure responsible procurement through continuous development of our procurement procedures, careful selection, close collaboration and ongoing supervision. We measure the carbon footprint of our suppliers, who also undertake to follow our Code of Conduct and ethical guidelines.

Breweries

Our breweries in Denmark and Germany produce beverages and ingredients for all our markets. We continuously invest in the development and application of new technology that can ensure continued high quality, efficient production and a flexible capacity that supports our business development.

We take a focused approach to our work with quality and energy management and set goals for the efficient use of raw materials and other resources. We focus on minimising waste and emissions. We work systematically with work environment management, focusing on safety, health, job satisfaction and skills development.

Customers

Our customers are supermarket chains and other retail companies, as well as food and beverage companies. Internationally, we also work with local and international distributors. We focus on developing our collaboration with customers in order to meet the ongoing development in consumer demand and expectations.

We work to develop products that are in line with demand trends. We focus on food safety and compliance with current regulations and standards through systematic supplier and quality management.

Consumers

Our products are consumed by millions of consumers in all our markets. We emphasise giving consumers a positive experience and enjoyment from our products and continuously invest in development that meets the demands for quality, functionality, content and values.

We emphasise the health of consumers and the impact of products on the surrounding environment. We focus on the development of increasingly sustainable products and packaging, and through effective labelling, we want to give consumers the best conditions for choosing their products.

Value creation

WORKFORCE

As a company, Harboe creates jobs and a high level of employee satisfaction, as well as developing talent across the Group's activities.

SHAREHOLDERS

Harboe's ambition is to create a stable positive return for its shareholders.

COMMUNITY

Harboe wants to make a positive contribution to the sustainable development of the community and works purposefully to minimise the company's environmental and climate footprint. At the same time, we play an active role in creating dynamism and activity in the local communities where the Group operates.

STRATEGY




Harboe's strategy towards 2027/28

Harboe's overall goal is to create long-term value for our shareholders, customers and consumers, as well as the communities we are part of. Under the heading "The People's Brewery", Harboe's strategy focuses on getting closer to consumers, increasing growth, strengthening the foundation and improving earnings.

Our financial goal is to secure annual growth in volumes and net revenue, and an EBITDA margin of 10% in 2027/28. We expect the growth strategy to include annual investments in efficiency improvements and upgrades of our production and the supply chain. The goal is for ROIC to be above 8% by 2027/28.



Harboe's strategy towards 2027/28

Strategic focus areas and goals	Results in 2023/24	Focus areas in 2024/25
 <p>Closer to consumers</p> <p>We want to strengthen the narrative of Harboe in Denmark and establish a closer relationship with consumers so that they can understand what we stand for.</p> <p>We will strengthen our efforts with communication and innovation based on consumer needs.</p> <p>We will strengthen our competencies and invest in building insight into consumer needs, purchasing behaviour and category trends.</p> <p>We will ensure sustainable growth initiatives and take responsibility for our impact on the communities around us. Sustainability requirements will be integrated into all business decisions – from product and packaging development to resource consumption and carbon emissions.</p>	<p>Strengthened marketing organisation and close dialogue with customers on category trends and consumer behaviour.</p> <p>Successful launch of marketing campaign for the Harboe brand in Denmark.</p> <p>Focus on developing an innovation pipeline.</p> <p>Launch of more sustainable packaging with increased use of recycled materials and reduced carbon emissions.</p>	<p>Continued development of category collaboration with customers to meet evolving consumer preferences and behaviour.</p> <p>Continued focus on commercial innovation and development of new products and variants.</p> <p>Focus on sustainability and invest in solutions that support sustainable products and packaging.</p> <p>Continued efforts to strengthen consumer communication with particular focus on the Harboe brand in Denmark.</p> <p>Support export activities with consumer-facing sales materials and activities.</p>
 <p>Increase growth</p> <p>We will maintain and expand our well-established position in Denmark. We will be the preferred choice in the lower price segment. We will also create increased value through continued innovation and based on consumer demand and expectations for quality and sustainability. We must strengthen our brand and visual identity with clear presentation of our values.</p> <p>In Germany, we must efficiently utilise our large capacity and create new business with more customers who demand high volumes and support our own brands in our local area.</p> <p>In the export markets, we must create growth in priority markets, where consumers choose our own brands and products. We will also enter into larger private label contracts where there is an opportunity to increase volume and create value.</p> <p>We will capitalise on continued potential in our ingredients business through our unique competencies and technologies that can contribute to the development of increasingly sustainable food products in line with consumer demand and rising requirements for food quality.</p>	<p>Increased business activities with major customers in Denmark and Germany.</p> <p>Effective implementation of price increases due to rising input prices.</p> <p>Continued efforts to develop market positions for own brands based on demand in export markets are working as intended, and export activities contribute to increasing net revenue and earnings during the financial year.</p> <p>Continued focus on developing customer relationships and product mix within ingredients, including the launch of a number of new products to both existing and new customers, which are developing positively.</p>	<p>Strengthen general communication about Harboe to key stakeholders and implementation of new customer agreements in Denmark.</p> <p>Establish new major customer agreements and support own brands in our German local area.</p> <p>Systematically develop market positions for own brands in export markets based on demand.</p> <p>Pursue opportunities to enter into relevant private label contracts where this supports efforts in international focus markets.</p> <p>Continued focus on developing customer relationships and product mix within ingredients, and optimise solutions that support sustainability and quality.</p>
 <p>Strengthen the foundation</p> <p>We must streamline and secure the future of our supply chains so that we can deliver competitive, high-quality products at all times, on time and with the best service. This should help reduce our unit costs and increase the robustness of our business. Every investment will be based on our ambition to support sustainability.</p> <p>We must strengthen our organisation and leadership so that everyone is aware of their roles and responsibilities and able to carry out their work with pride, ambition and the right competencies. Our values must be alive across the organisation.</p>	<p>Investments in maintenance, production efficiency and improved resource utilisation, including investments in establishing a new production facility in Skælskør and a new solar plant in Dargun.</p> <p>Realised savings and efficiencies in production and the supply chain.</p> <p>Focus on internal and external communication that supports the fulfilment of strategic priorities and increases employee satisfaction and engagement.</p>	<p>Investments in production efficiency and improved resource utilisation, including the establishment of a new production facility in Dargun.</p> <p>Continued focus on streamlining processes and ensuring an internal setup that supports the expected growth.</p> <p>Continued focus on internal and external communication and activities that support strategic priorities and employee satisfaction.</p>

CASE STORY

Harboe walks for a cause

Every year in September, Harboe organises the “Folkevandring” (People’s Walk) where the employees and their families can meet and walk for a special cause.

It is the management who, based on suggestions from the employees choose which cause to support and, in 2023, Headspace and Barnets Blå Hus (The Child’s Blue House), both in Slagelse, received the donation totalling DKK 30,000 collected on the day.

140 employees and their families participated in the fundraising event, which not only allowed them to support a good cause, but also to invite their families to the brewery. There was a tour of the production, presentations from the organisations and a magician for the youngest guests.



SUSTAINABILITY

As an international brewing company, we are aware of the imprint our company leaves on its surroundings and the stakeholders we are in contact with. It is therefore essential that Harboe's growth and development takes place on a sustainable basis and in accordance with current regulations and standards for good ethical behaviour and social responsibility.

In 2023/24, we have continued our ESG programme, and completed a large number of preparations for reporting in accordance with the EU directive, CSRD, and the associated reporting standards in 2024/25. During the financial year, we conducted a preliminary double materiality assessment initially based on input from internal stakeholders. In the

coming financial year, we will expand the assessment to include input from external stakeholders in Harboe's value chain.

We maintain the four focus areas defined in our ESG programme, which we have expanded with the new reporting standards to ensure the management of material impacts and

opportunities and mitigate material risks. Read more about this in our ESG report.

[See the full ESG report here](#)



ENVIRONMENT & CLIMATE

Main areas:

- Renewable energy
- Water
- Circular economy



PEOPLE

Main areas:

- Diversity, equality & inclusion
- Health & Safety
- Well-being



CONSUMER & PRODUCTS

Main areas:

- Food safety & quality
- Health



BUSINESS ETHICS

Main areas:

- Culture & Business
- Sustainable procurement
- Local anchoring

ESRS:

- E1: Climate change
- E2: Pollution
- E3: Water and marine resources
- E4: Biodiversity and ecosystems
- E5: Resource utilisation and circular economy

ESRS:

- S1: Own workforce

ESRS:

- E1: Climate change
- S3: Affected communities
- S4: Consumers and end users
- E5: Resource utilisation and circular economy

ESRS:

- G1: The behaviour of companies
- S2: Workers in the value chain



Diversity in management

Our total workforce is predominantly male, as a large proportion of our employees work in production, which is traditionally a male-dominated profession. In specialist roles and in the management team, the distribution between men and women is more equal. Harboe's Board of Directors consists of three female members, corresponding to 50% of the members elected by the general meeting. Harboe does not aim to increase the share further, but wants to maintain an equal distribution. We are aware of ensuring that the composition of members' competencies, international experience, age and gender supports the Group's business activities.

Harboe's goal is to have a balanced gender distribution at all management levels. In the 2023/24 financial year, the distribution between men and women in Harboe's management (Executive Board and management team) was 27% women. Harboe's goal is to achieve a minimum of 40% women at all management levels by 2040, and at least maintain the 2023/24 level of women in Harboe's management until 2025. For action-plans for fulfillment of targets, see page 20.

Target 2040






To achieve a minimum of 40% women at all management levels by 2040






Gender composition of management 2023/24

Board of Directors	Total number of members	6
	Underrepresented gender in per cent.	50
	Target figure in per cent.	Maintain equal distribution
	Year of fulfilment of target figures	N/A
Other management levels (1 and 2)	Total number of members	15
	Underrepresented gender in per cent.	27
	Target figure in per cent.	40
	Year of fulfilment of target figures	2040



Long-term goals and indications for ESG 2023/24

Focus area	ESG	Long-term goals	Goal 2023/24	Results 2023/24	Goal 2024/25
Carbon-neutral value chain 	E	2035: 100% carbon-neutral production (Scope 1, 2)	Eliminate the last energy source that uses oil	As a result of the energy crisis, oil was purchased when security of supply was at risk. The oil has therefore been used and the energy source has not been possible to remove	Eliminate the last energy source that uses oil
		2035: 40% reduction of carbon emissions in the value chain (Scope 1, 2, 3)	Calculation of the total value chain's carbon emissions (Scope 3)	With the statement of the categories with the largest total carbon emissions, Harboe now has an overview of the categories and product categories that will be the focus for further work on initiating projects and collecting primary data	Collect activity-based data from suppliers for selected product categories within category 1 and initiate projects with selected suppliers to reduce overall carbon emissions
		2040: 100% carbon neutral value chain	Overview of total carbon emissions, cf. GHG emissions Scope 3, in order to work with a plan for how to reduce and or neutralise these	In the financial year, Harboe has calculated carbon emissions for categories 1, 4, 6, 7 and 9	Finalise the overall GHG emissions calculation for Scope 3 by calculating and evaluating categories 2, 5, 10, 11 and 12.
Biodiversity 	E	2040: By 2040, all suppliers of agriculture-related raw materials must comply with regenerative agriculture principles		New activity	Extend the principles of Harboe's sustainable sourcing programme to include biodiversity for raw materials of agricultural origin
				New activity	Water-related issues for the value chain will be part of our work to protect biodiversity – conduct an analysis to investigate the impact on nature and water resources for selected raw and packaging materials
Circular economy 	E	2030: 100% of our packaging materials must be recyclable	Continue implementation of foil with 50% recycled material and prepare for the implementation of new caps for plastic bottles	New activity – collecting data for goal setting The implementation of foil with 50% recycled material is very close to completion for Harboe's own brands. The new caps are currently being implemented. This is a process where security of supply is challenged due to the scale of implementation, as the regulation applies to all producers in the EU.	Reduce waste through sorting Continuously increase the share of recycled or recyclable materials in packaging materials
Diversity, equality & inclusion  	S	2040: 40% women at all management levels	As a minimum, maintain the 2022/23 level of women in Harboe's management until 2025	24% women in Harboe's management	2025: As a minimum, maintain the 2023/24 level of women in Harboe's management team
			Set up a DE&I team to work on goals and activities and ensure progress in the area	The DE&I team has set targets for the areas: equal pay for equal work, discrimination and harassment	The DE&I team continues to develop action plans and integrate diversity, equality and inclusion work into departments
			Life cycle, recruitment maternity and parental leave policies	Implemented policies for flexible workplace, recruitment and seniors	Implementing the maternity and parental leave policy
			System for evaluating equal pay for equal work		Continue work on the development of an equal pay for equal work evaluation system – to be in place for the reporting for the 2025/26 financial year

Focus area	ESG	Long-term goals	Goal 2023/24	Results 2023/24	Goal 2024/25	
Health & safety  	S	2030: No work related accidents or sickness absence due to accidents at work	10% fewer work related accidents compared to 2022/23	Harboe has changed its method for calculating work related accidents and the number is therefore significantly lower. 10% accident reduction target continues in the 2024/25 financial year	Reduce work related accidents annually by 10%	
			Joint policy and guidelines for health and safety at Harboe	Established an interdisciplinary group working with the common guidelines. Work continues in the 2024/25 financial year	Joint policy and guidelines for health and safety at Harboe	
			Report lost-time accidents at work	For the first time, Harboe only reports on accidents that have resulted in at least one day's absence		
			Increase the level of psychological safety from medium to high at Harboe	At Harboe, psychological safety was found to have moved from medium to high in the satisfaction survey	Implement new absence and flexible workplace policy in Dargun	
			Extend the mentoring programme to all the employees in Skælskør	Continue initiatives such as mentoring and buddy groups in Skælskør, and the possibility of implementing similar initiatives in Dargun		
Culture of responsible consumption  	ES	2030: 100% safe consumption labelling	80% responsible consumption labelling	Symbol advising against drinking beer while pregnant or breastfeeding has been implemented on all Harboe beer brands Symbol warning against driving in combination with alcohol consumption has been implemented on own beer brands in Denmark and Germany, and on the Harboe Beer brand in export markets	Work is done on implementing a symbol warning against driving and drinking alcohol for other own beer brands in export markets	
			2030: 30% fewer calories in soft drinks volume for own brands	Introduce more sugar-free variants	In the 2023/24 financial year, Harboe launched several new soft drinks under the Harboe brand in the zero sugar category In the 2023/24 financial year, the distribution by volume is 44% zero sugar and 56% sugared	Launch new flavours or pack sizes in the sugar-free soft drinks category
				Since 2019/20, Harboe has reduced the calorie content of its sugared soft drinks by 7.5%	Reduce the calorie content of our own soft drinks calculated per 100 ml At the same time, new flavours will be lower in calories while maintaining the great taste and high quality	
Compliance with the Code of Conduct 	G	2030: 100% of suppliers, the employees and business partners have accepted Harboe's Code of Conduct	100% employee participation in compliance testing	In Skælskør, an annual test is conducted where several items are tested. Participation in this year's test was not satisfactory, so work is underway to see if a new platform and testing model will increase participation	Ensure 100% employee participation in compliance checks	
			Develop a new version of Harboe's Code of Conduct for the employees	In spring 2023, the Code of Conduct for the employees was revised and implemented All relevant members of the workforce in Skælskør received training and passed the required test. In Dargun, training and testing has been postponed until autumn 2024	Develop a common Code of Conduct for the employees and suppliers for Harboe Continue the Anti-Corruption programme with training and testing for relevant members of the workforce in Dargun and Skælskør	

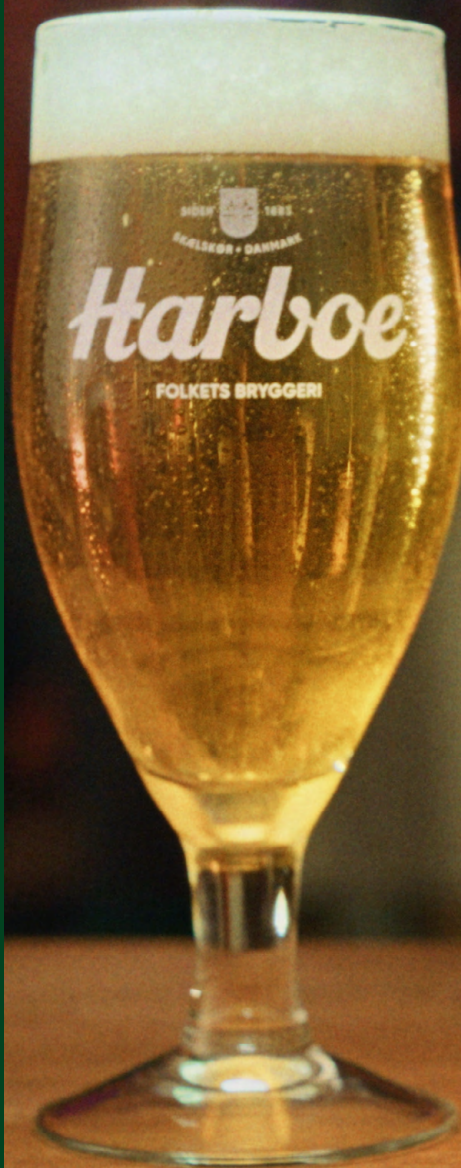
CASE STORY

Does Bo have beer?

At the beginning of 2024, Harboe launched a commercial for the first time, promoting the Harboe brand in Denmark in a tongue-in-cheek way.

The launch is part of a strategic change to ensure that Danish consumers have the right perception of what they get when they buy a Harboe beer. The new branding campaign comes after Harboe relaunched its beer design in 2022 and in the wake of Harboe Pilsner being relaunched with a new flavour in early 2024.

A number of consumer studies have shown that consumers are familiar with Harboe beer, but some have a barrier towards the brand because they think it tastes bad or they do not want to serve it to guests. The relaunch of Harboe Pilsner and the new advertising universe will cement once and for all that Harboe is the people's beer, palatable and always available in shops at a reasonable price.



Folkets øl og Bo's



Skål med måde

FINANCIAL STATEMENT

NET REVENUE

Group net revenue in 2023/24 increased by 12% to mDKK 1,817 compared to mDKK 1,621 the previous year. It has been a year characterised by rising costs and necessary price increases towards customers.

There has generally been less pressure on supply chains throughout the year compared to last year, which has particularly supported growth in export markets.

Overall, the Beverage segment delivers a volume on par with last year, while net revenue growth is 11%. The unchanged volume is driven by an increase in exports and Germany, while Denmark has declined in terms of volume.

The realised increases in sales prices and an improved sales mix contributed to a positive development in our net revenue.

The increase in exports was driven by both increased private label agreements and additional sales of the Group's own brands.

In the German market, the Group is primarily a private label supplier, and increased business volume and realised price increases contributed to a slight increase in net revenue compared to last year.

In the Danish market, we have increased net revenue with most customers, and Harboe has managed to gain market share relative to the total market.

The Ingredients segment realised a volume increase of 1%, and better sales mix and implemented necessary sales price increases resulted in a 21% increase in net revenue.

compared to 5.3% last year. The increase in EBITDA is mainly due to an improved product mix and lower freight costs together with streamlining and optimising production and supply chains.

The Group delivered a positive result in all quarters, and the first quarter, which is the peak season, was particularly strong.

According to strategy, the Group has increased costs related to initiatives with forward-looking and value-creating activities to strengthen the Group's own brands, innovation and increased activity in gathering market and consumer insights, as well as investments in securing the organisational foundation for executing the strategy.

mDKK	Q1	Q2	Q3	Q4	Total
Group					
Net revenue	488	455	417	457	1,817
Development in net revenue, compared to 2022/23	16%	12%	6%	14%	12%
Beverages					
Net revenue	443	410	374	410	1,637
Development in net revenue, compared to 2022/23	14%	12%	5%	14%	11%
Volume growth compared to 2022/23	0%	-1%	-5%	7%	6%
Ingredients					
Net revenue	46	44	43	47	180
Development in net revenue, compared to 2022/23	35%	16%	13%	21%	21%
Volume growth compared to 2022/23	-5%	-5%	-5%	22%	1%

EARNINGS

Result before depreciation, financial items and tax (EBITDA) is mDKK 158 against mDKK 85 last year. This corresponds to the latest expectations communicated in company announcement no. 9 on 11 March 2024. The EBITDA margin was 8.7%

Depreciation on intangible and tangible assets is included in the result of primary operations with mDKK 81 against mDKK 88 million last year. The result of primary operations (EBIT) totalled mDKK 77 compared to mDKK -3 last year.

Financial items in the financial year totalled an expense of mDKK 9, which is mDKK 3 more than last year. The profit before tax from continuing operations was a profit of mDKK 68, compared to a loss of mDKK -9 the year before.

The result corresponds to the most recently announced expectations in the range of mDKK 65-75. The net result after tax for 2023/24 was a profit of mDKK 55 compared to a loss last year of mDKK 4.



EQUITY

As of 30 April 2024, equity amounted to mDKK 732 compared to mDKK 677 the year before. Equity was affected by the year's net result, exchange rate adjustments for foreign subsidiaries and adjustments to other investments and securities. The company holds a total of 1,777,342 class B shares, corresponding to mDKK 218 calculated at the market price on 30 April 2024. The section on shareholder relations contains a more detailed description of Harboe's dividend policy and general meeting authorisation for the purchase of shares.

INVESTMENTS

For the financial year, investments in intangible and tangible assets totalled mDKK 129 compared to mDKK 62 last year. Investments are primarily made for ongoing optimisation of existing production facilities, including with a focus on energy savings, as well as safety and efficiency in operations.

The investment strategy for the coming years will be focused on continuous improvements, as well as investments that support commercially based development activities. In addition, within the next one to two years, major investments are expected to be made in the Group's production facilities in order to renew, streamline and modernise to strengthen the prerequisites for driving ambitious growth.

LIQUIDITY

The Group's free cash flow totalled mDKK 55 compared to negative of mDKK -116 in the same period last year. The change compared to last year is mainly due to cash flow from operations, which was positive at mDKK 182 compared to mDKK -59 last year. Harboe has an ongoing focus on continued optimisation of working capital through the management of procurement and trade payables, as well as inventory, and has supply chain financing agreements with major customers. There has been an increased liquidity strain for the Group due to increasing net revenue and tied-up inventory. The positive cash flow makes it possible to continue investing in upgrading the production facilities to the necessary competitive level for the future.

CASH RESOURCES

The Group's liquidity resources consist of cash and cash equivalents and committed unutilised credit facilities of mDKK 75 as of 30 April 2024. To this must be added the holding of class B shares corresponding to mDKK 218, calculated at the market price on 30 April 2024.

INTEREST-BEARING DEBT

As of 30 April 2024, the Group's interest-bearing debt was mDKK 177 compared to mDKK 208 at the end of last year. Adjusted for cash and cash equivalents of mDKK 33 compared to mDKK 9 at the end of last financial year, the Group's net interest-bearing debt as at 30 April 2024 was mDKK 144 compared to mDKK 199 at the end of the previous year.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

From the balance sheet date and until today, no circumstances have occurred that significantly affect the assessment of the annual report.

EXPECTATIONS FOR 2024/25

At the start of 2024/25, the commercial situation looks reasonable in relation to expected growth in the focus markets, and promotional activities are underway. Overall, purchase prices are at a more stable level and risks are continuously hedged.

In the aftermath of the war in Ukraine, the risk of a complete or partial cessation of gas supplies still exists. The Group stays prepared with the necessary measures to be able to produce without gas. However, a transition to oil will entail significant additional costs, which in the specific situation must be passed on to customers and consumers.

If suppliers of Harboe Group have not taken similar measures, a cessation of gas supplies could thus indirectly entail a risk of production stoppages.

In addition, the supply chains of a number of input resources, including freight capacity, are still under pressure, which could lead to delays and lost net revenue. However, Harboe is in active and ongoing dialogue with suppliers to ensure the greatest possible reliability of supply.

These are considered to be the single biggest commercial risks that could currently affect expectations for 2024/25.

In other commercial areas, as in the previous year, initiatives launched in 2023/24 are expected to strengthen the Group's own brands through increased innovation, updated visual expression, while increased marketing efforts will generate renewed growth, especially in the Danish market.

In the German market, volumes in existing private label agreements are expected to decline.

Export markets in 2024/25 are expected to see a year of growth in both volume and earnings, while there will be investments in promotional activities.

The activities in Harboe Ingredients are expected to develop favourably in the coming financial year, primarily driven by continued sales efforts with new products aimed at new segments, which are expected to contribute to both growth and improved earnings in the coming financial year.

Internally, the focus in the coming year is to maintain high security of supply and a continued intensive focus on optimisation and long-term efficiency improvements. Overall, Harboe expects a positive development in EBITDA, which is expected to be in the range of mDKK 150-190.

Both ongoing and regular, annual renegotiations of large contracts with customers have a major impact on the profit development in 2024/25.

Depreciation of plant and production equipment is expected to be in the range of mDKK 80-85.

The Group expects profit before tax for 2024/25 of mDKK 60-100, cf. company announcement no. 11 of 25 April 2024.

“The positive cash flow makes it possible to continue investing in upgrading the production facilities to the necessary competitive level for the future.”



CASE STORY

Harboe Topform wins taste test

In 2023, Politiken named Denmark's best sports soft drink, and Harboe Topform was the clear winner.

Under the headline: The cheapest sports soft drink is by far the best", one taster commented: "Very nice colour. Lovely, big bubbles. Delicate lemon flavour and aroma. I really like it. It's a soft drink with 'presence'. I think it's Harboe's."

Harboe's products are taste-tested and blind-tested several times a year to monitor whether the products' flavour profile, sugar content or other aspects can be optimised. This process and development work is driven by the brewery's R&D and Quality departments.

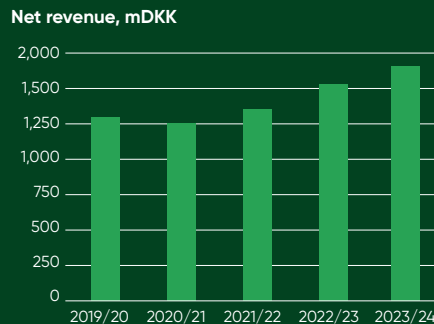
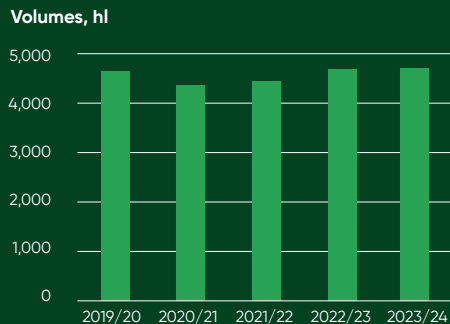
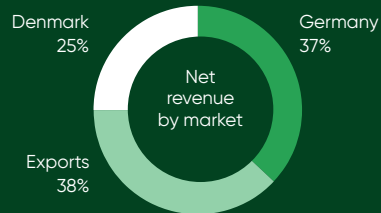
In 2022, the Harboe brand won the Politiken taste test for cola, and in 2023 Harboe also won the taste test for orange soft drink.



HARBOE BEVERAGE



mDKK	2023/24	2022/23
Volumes (hl)	4,699	4,670
Net revenue	1,637	1,472
Other operating income	2	4
Total costs	-1,466	-1,367
EBITDA	173	109
Depreciation, amortisation and write-downs	-60	-65
Primary result (EBIT)	113	44



HIGHLIGHTS

- Net revenue increased in all three geographical market segments, with export activities in particular driving growth.
- Harboe's distribution in the lower price segment in Denmark was further expanded.
- In Germany, net revenue increased as a result of expanded customer agreements and price increases.
- Increasing demand and volumes fuelled growth in export markets.
- More stable market conditions and falling sea freight prices stimulated growth in export markets and had a positive impact on earnings.



HARBOE BEVERAGE IN BRIEF

The production and marketing of beverages is Harboe's core business. Harboe's beverages are extensively marketed to major retail customers in the Northern European markets, the Danish-German border trade and selected markets in Europe, the Middle East, Asia, Africa and the Americas. In Denmark and international markets, the products are mainly marketed under own brands, while in Germany and through selected international distributors, products are primarily produced for private label sales.

Harboe's collaboration with retail customers is continuously developed so that the range, packaging and concepts meet development in demand and consumption patterns. Harboe has a well-established position in Denmark, where the Group is recognised for high quality, reliability of supply and flexibility in the face of fluctuations in demand.

Market conditions and competition

Harboe Beverage's activities are focused on the Group's mature main markets in Denmark and Germany, as well as selected export markets.

Northern European markets

Retail has undergone ongoing consolidation in recent years – especially among budget chains, which continue to increase their relative share of the total retail trade. Harboe's products are

particularly exposed in the value-brand segment and in discount chains.

Total beer consumption has been declining in Europe over the past ten years. However, there has been a gradual increase in value in the beer market, driven by, among other things, increasing sales of speciality beers and non-alcoholic beers.

Sales of soft drinks are growing. This growth is driven primarily by continued product development within the segment, including energy drinks. Increasing demand for organic beverages, sugar-free soft drinks, sparkling water, flavoured spring water and vitamin drinks is contributing to the growth of the segment.

The Northern European beverage market is characterised by seasonal fluctuations, and the summer weather has a significant impact on overall demand. Competitors include both large Danish and international producers, as well as a large number of smaller breweries. There is intense price competition in all categories.

Export markets outside Northern Europe

The approach to export markets is based on collaboration with distributors and in selected markets where there is potential for reasonable profit margins and the opportunity to establish niche positions.



There is significant competition in all markets, but economic growth and increasing purchasing power are also driving increasing consumption of beverages.

At the same time, there is an ongoing growth and maturation of the markets, supporting an increasing demand for beer, soft drinks, energy drinks and other non-alcoholic beverages.

There is a general trend of increasing demand for speciality products such as craft beer, non-alcoholic beverages and beverages with natural and sustainable profiles. Harboe prioritises the product range that is marketed internationally based on a qualification of demand, volume and production efficiency. Competitors are local, regional and international breweries.

Strategy and business model

In the Northern European core markets, Harboe focuses on maintaining collaboration with customers and long-term contracts where the collaboration is continuously expanded through insight into consumer needs, purchasing behaviour and category trends so that the development of the offering, packaging and sales concepts is based on consumer demand.

In Denmark, the majority of net revenue comes from own brands, where the broad range is mainly marketed in the lower price segment, while speciality products such as organic soft drinks and speciality beers are priced slightly higher. Harboe aims to further expand its well-established position and become the preferred choice in the lower price segment. At the same time, there is a focus on creating increased value through continued innovation

and ensuring that Harboe can respond to significant new trends based on consumer demand and expectations for quality and sustainability.

Following the launch of the new design for Harboe products in Denmark, focus has been on further consumer-oriented communication to support the Harboe brand and a stronger narrative about the Group's values. Harboe has also invested in consolidating competencies and building insight into consumer needs, purchasing behaviour and category trends.

The private-label activities, which are primarily operated out of Germany, continue to make up a significant part of the Group's net revenue. Here, efforts are being made to expand volumes with a focus on selling large volumes that can utilise capacity efficiently and increase earnings.

In the international markets outside Northern Europe, Harboe focuses on creating growth,

where economic and demographic developments support increasing purchasing power and demand. In these markets, Harboe's products are typically marketed in slightly higher price segments, targeting a rapidly growing segment of middle-class consumers who demand imported branded products at attractive prices. Activities are developed and targeted to demand and development trends in the individual markets in close collaboration with distributors and customers.

Measures and results in 2023/24

In the Danish market, net revenue increased, driven by both an improved product mix and the effect of the necessary price increases implemented.

As part of the strategy, Harboe relaunched its pilsner with a new flavour in Denmark and carried out a nationwide marketing campaign through a number of media to strengthen the Harboe brand. The measures were well received by consumers and are believed to have supported net revenue growth. At the same time, distribution has been further expanded in the Danish market. There is a generally positive consumer trend with increased activity in the lower price segment where the products under the Harboe brand are placed.

Net revenue also increased in Germany, driven by expanded customer agreements, and implemented price increases contributed to the growth.



In export markets, demand has been increasing and falling energy and sea freight prices have supported the positive development. The markets in the Americas and Africa in particular are driving net revenue growth, and a positive development in the strategic collaboration with customers creates favourable conditions for continued growth.

Risks and priorities in 2023/24

In the Northern European core markets, Harboe continuously focuses on the intense competition from both domestic and international competitors. Harboe constantly works to adapt product mixes and introduce new, innovative products that can meet market trends and drive new demand, allowing Harboe to successfully maintain its position in these markets.

Harboe's activities in international markets are also affected by intense competition and exposed to risks where political conditions are less stable and where business conditions may be affected by various forms of unrest and lack of government control. Harboe focuses on prioritising efforts towards more stable markets and long-term relationships with distributors and customers, and continuously assesses the risk exposure relative to earnings potential.

Price developments for raw materials, packaging, energy, freight and the introduction of new or increased taxes can significantly affect earnings. Harboe seeks to enter into long-term agreements on purchases for the production of

finished products to counter major fluctuations, but these factors still pose a significant risk of affecting earnings as the competitive situation does not always allow increased costs to be passed on to sales prices at the same rate as the increasing costs.

The financial year has seen a gradual normalisation of the very turbulent market conditions that affected the results in 2022/23. Prices for energy and sea freight have been falling and the more normalised market conditions have contributed to the improved earnings in 2023/24.

Harboe has a constant focus on streamlining operations and increasing net revenue from own brands and speciality products where the profit margins are higher.

Assessment of the development in specific operating and debtor risks, as well as the handling of these, is reported to the Board of Directors on an ongoing basis, and Harboe seeks to hedge against losses on debtors by taking out credit insurance and entering into letter of credit agreements where possible.

Production, on-time delivery of agreed deliveries and good customer service in general are critical factors for customer satisfaction and maintaining long-term customer relationships. Harboe therefore places a special focus on ensuring optimal efficiency throughout the value chain. During the financial year, a number of efficiency measures were implemented to improve



productivity, and the ability to deliver was again at a very high level this financial year.

Expectations and focus areas in 2024/25

In Denmark, Harboe will focus on maintaining and expanding its well-established position and, at the same time, strengthening its exposure in the retail sector. Demand in the beer market is expected to continue to decline, but the speciality beer, non-alcoholic beer, soft drinks and other non-alcoholic beverages category is expected to develop positively. In the coming year, Harboe will continue to support the value of the Harboe brand through continued marketing activities and innovation, in order to meet consumer demand, including within non-alcoholic beer, sugar-free and sugar-reduced soft drinks.

As always, the weather in the peak season over the first two quarters of the financial year will impact total demand and volumes. Intense competition is expected to continue, which will put pressure on earnings, and price developments for raw materials, consumables, energy, etc., may affect results.

In Germany, focus will continue to be on establishing new customer agreements for larger volumes and marketing products that meet the demand for, among other things, sugar-free soft drinks and non-alcoholic beer. Both will be part of a targeted sales effort towards new and existing customers.

In export markets, the positive momentum will be built on by continuing to develop collaboration with customers and distributors. A targeted market approach with our own selected brands and sales-supporting marketing, as well as the expansion of our position in prioritised markets, is expected to create the basis for continued growth and improved earnings in the coming financial year.

Market conditions are expected to remain challenging, but Harboe expects that the Group's offering of quality and reliability of

supply to customers and business partners will contribute to creating further momentum in activities in the coming year.

Focus will be on establishing closer relationships with consumers, strengthening existing market positions and continued value development in the product range and packaging in order to stimulate sales and help increase both net revenue and earnings.

In export markets, Harboe's products are typically marketed in slightly higher price segments, targeting a rapidly growing segment of consumers who demand imported brands at attractive prices.



CASE STORY

EGO soft drinks is the organic market leader in Denmark

Harboe's "EGO soft drink" brand has become the most popular organic soft drink in Denmark, and is approaching a 50% market share by value in the category.

EGO soft drinks contain only natural ingredients and have a higher juice content than classic soft drinks. In addition, the soft drinks carry the Danish 'Ø' organics label, which guarantees that they are organic and produced in Denmark.

During 2023, EGO soft drinks will be on the shelves of more and more grocery chains. The expanded distribution, combined with good marketing campaigns via social media and the use of influencers, has helped to drive growth, and net revenue increased by over 40% in the past year.

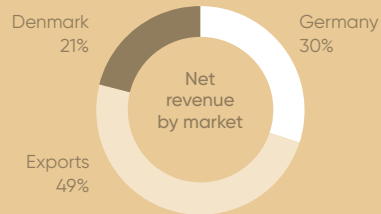
In spring 2024, the range has been expanded with another new flavour, EGO Strawberry & Rhubarb, which will hopefully appeal to consumers and help drive further growth.



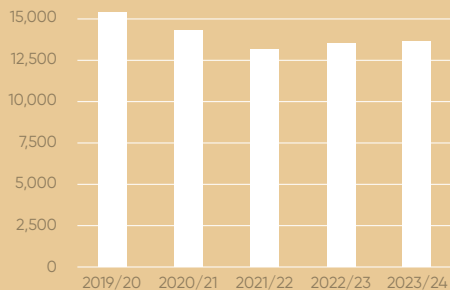
HARBOE INGREDIENTS



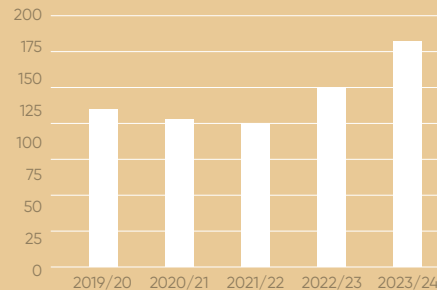
mDKK	2023/24	2022/23
Volumes (hl)	13,650	13,546
Net revenue	180	149
Total costs	-150	-134
EBITDA	30	15
Depreciation, amortisation and write-downs	-14	-15
Primary result (EBIT)	16	0



Volumes, tonnes



Net revenue, mDKK



HIGHLIGHTS

- Increased net revenue driven by improved product mix and implementation of necessary price increases in all markets.
- Continued good demand for ingredients that meet sustainability and clean label requirements for food products.
- Improved earnings driven by improved product mix and new product launches for both new and existing customers.



HARBOE INGREDIENTS IN BRIEF

Harboe is one of Europe's leading producers of malt and fruit extracts, and markets a number of product variants under the Group's own brand Barlex.

Malt and fruit extract is used as a natural ingredient in the production of a wide range of food products, including bread, cereals, chocolate and drinks.

Malt extract contributes natural properties such as colour and sweetness, which can replace, among others, sugar, caramel and a number of artificial additives and meet a growing demand, e.g. for sustainability and clean labels for ingredients in food and beverages.

Harboe launched a number of new products during the financial year based on fruit extract for both new and existing customers, which contributed to the improved earnings.

Customers are primarily European food companies, including a large proportion of Europe's largest bakery companies.

Harboe works closely with customers and advises on how malt and fruit-based ingredients can be used to increase the quality, flavour and shelf life of products. In recent years, Harboe also developed and launched a number of new products and new applications for the malt- and fruit-based ingredients, which have been well received by new and existing customers.

Market conditions and competition

Harboe's activities in ingredients are supported by a generally increasing demand for food and an increasing focus in the food industry on developing healthier and more natural foods at competitive prices. Food safety and quality are paramount, also in relation to increasingly strict international regulation in the food sector.

The competitors are primarily major European malt houses which supply the brewing industry with malt. The largest actors typically have a leading market share in their local markets and also operate internationally to a greater or lesser extent. Harboe's product range is aimed at an international premium segment in the food industry, and close collaboration with customers has given Harboe a well-established competitive position.

Strategy and business model

Harboe Ingredients' business model is based on meeting the demand for healthy and sustainable food products while ensuring the optimal use of the Group's technology and competencies in exploiting the market opportunities within malt and fruit-based ingredients. In recent years, Harboe invested in development and process optimisation within both malt extract and fruit extract and today has a targeted range of ingredients.

Based on its knowledge of customers and production processes in the food industry, Harboe is working to expand its position through sales and consultancy on the implementation of product applications that can add value in the production of food and drinks and meet consumer demand. The collaboration with existing and new customers includes, among other things, the holding of development seminars, recipe development and joint test processes.

Measures and results in 2023/24

Net revenue in Ingredients increased in the financial year, driven by an improved product mix and realised necessary price increases, which overall also contributed to improved earnings. The demand for ingredients that meet sustainability and clean label requirements for food products remains high, and Harboe has

continued to work closely with customers to develop and implement new applications for both malt- and fruit-based ingredients. In addition, a number of new products were launched during the financial year for both new and existing customers, which also contributed to the improved earnings.

Harboe will continue its sales efforts aimed at existing and new customers and expects to further strengthen growth and earnings in the coming year. Harboe has positive expectations for the continued development of the ingredients business and is working on several new products which are expected to be launched in the coming financial year.

Risks and priorities in 2023/24

Harboe's ingredients activities are exposed to the usual market risks related to competition, developments in raw material prices, etc., and market developments may also affect expected volumes.

Harboe is working continuously to optimise and streamline production processes and quality controls in order to increase resilience to fluctuations in raw material prices and quality.

It is crucial that new products and uses meet the specific functionality requirements in order to be part of customers' production processes. In the

past year, Harboe has therefore focused on the close dialogue with, and advising of, customers, as well as ensuring quality, progress and ongoing control for the test processes carried out.

Expectations 2024/25

In the coming year, Harboe will focus its efforts on the continued development of existing customer relationships and the further work of identifying new uses for malt-based ingredients in collaboration with customers. At the same time, Harboe will step up its sales efforts with new products aimed at new segments, which are expected to contribute to both growth and improved earnings in the coming financial year.

Harboe is one of Europe's leading producers of malt extract for the food and beverage industry, and the portfolio has been continuously expanded with a number of product variants developed to meet the growing demand for sustainable ingredients with good quality and nutritional properties.



CASE STORY

Successful relaunch of Harboe beer in export markets

Harboe updated its design of Harboe beer for export and it has been relaunched in a number of export markets.

In connection with the relaunch, new variants have also been introduced – a Harboe Wheat, which has been introduced in China and a Harboe Amber Lager, which is about to enter the market in Costa Rica. Harboe Gold has been selling well in Senegal for some time, and it is expected that the new design will drive further sales growth in this market.

The design has been tested with an eye-tracking tool that uses artificial intelligence to measure how a product appears and attracts attention on a supermarket shelf.

The result of the survey is that the new design is much more attention-grabbing and there are positive expectations for continued sales development.



RISK FACTORS, FINANCIAL REPORTING AND CONTROL

Harboe regularly analyses and addresses the business, financial and sustainability risks that affect the company's development and results. The Board of Directors has overall responsibility for the Group's risk assessment, risk management and the internal control environment in connection with ongoing reporting. During the year, focus has been on controls and follow-up with the Group's supply chain, continued optimisation of business procedures, infrastructure and processes, as well as IT systems that support ongoing control and reporting across the Group.

Harboe's Board of Directors has established an Audit Committee consisting of the entire Board of Directors excl employee-elected members. At least one member has special competencies in accounting and financial management. The chair of the Audit Committee is appointed by the Board of Directors.

The Audit Committee is responsible for establishing policies, procedures and ongoing monitoring of internal control systems. The Committee has specified annual tasks and responsibilities in

consultation with the company's external auditor. Prior to the approval of the Annual Report, the Committee reviews the reporting with the company's external auditor, with particular focus on accounting policies, significant accounting estimates, transactions with related parties, uncertainties and risks.

The framework for the ongoing risk assessment is defined by the Board of Directors. The Executive Board holds day-to-day responsibility for monitoring, follow-up, control and reporting. A standardised programme has been established with minimum requirements for documentation and follow-up in order to reduce registered reporting risks. Reporting and follow-up for the individual units and business areas take place as part of the reporting to the Board of Directors. The ongoing monitoring and control is carried out both decentrally by specialised control functions in the individual business units and at the Group level.

MANAGEMENT MODEL FOR RISK MANAGEMENT

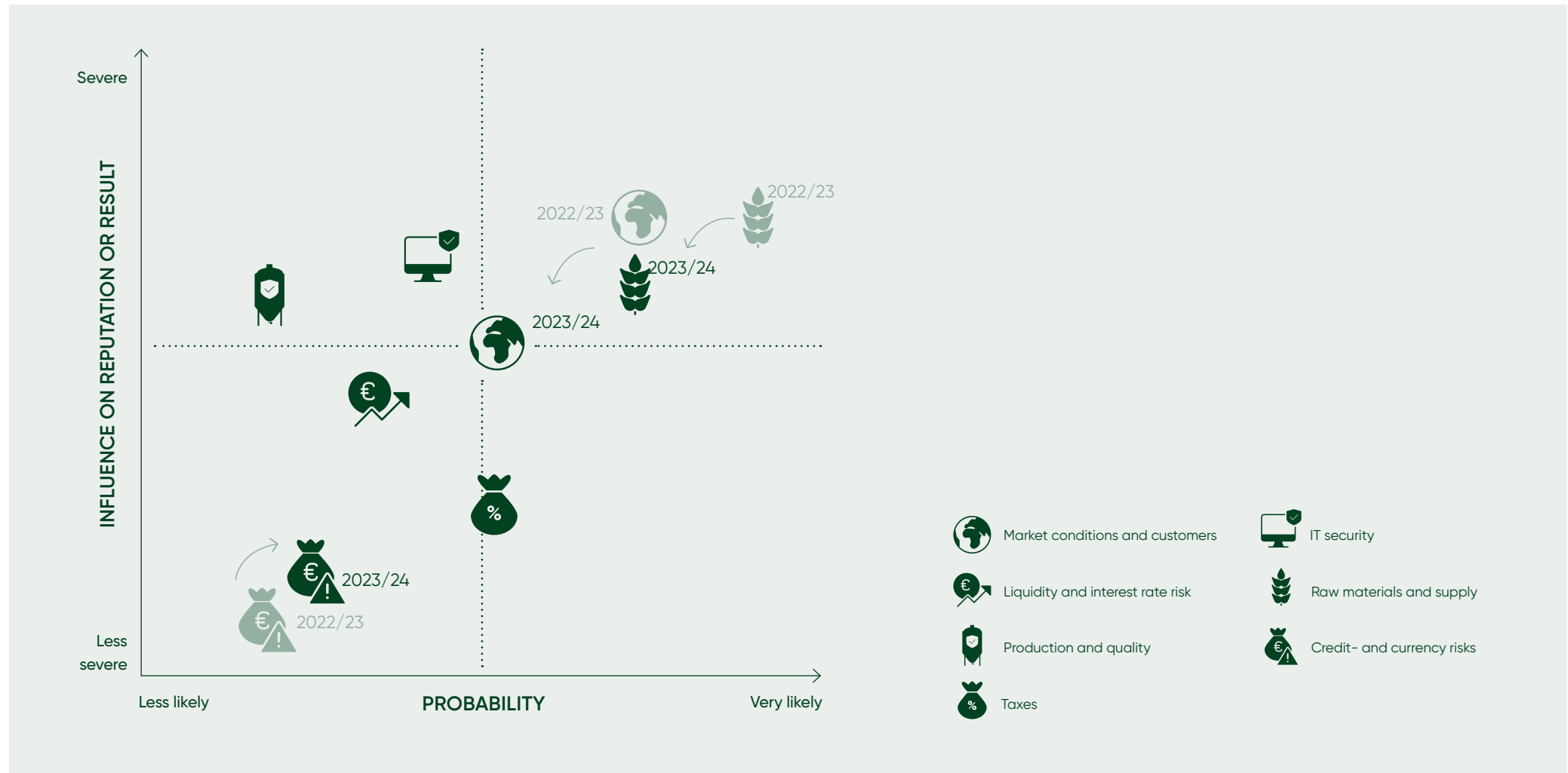


Significant business risks

The overview below reflects the currently most significant risk factors included in the Group's ongoing risk management. The current risk exposure, risk management and expectations for the coming year's risk factors are explained in

more detail in the review of individual business activities. In the 2023/24 financial year, particular focus has been on managing the continued uncertainty associated with the availability of raw materials and packaging, including the price development of these.

During the financial year, the prices of raw materials and packaging have been volatile while availability in the supply chains has stabilised, and the assessed risk from raw materials and packaging has therefore been lowered slightly compared to last year.



Risk factors

Risks



Market conditions, customers and consumers

- The market for beer and soft drinks across all the Group's markets is characterised by intense competition, and customers are most often large supermarket chains with considerable bargaining power. This entails a risk of dependence on individual customers and pressure on earnings. In the Northern European markets, Harboe is also affected by the seasons, where the quality of the summer weather in particular has a significant impact on net revenue.
- Sales of Harboe's products are also affected by developments in consumer trends, including expectations for sustainability in products and packaging, as well as the company's ability to fulfil its corporate social responsibility.
- At the same time, Harboe is exposed to developments in the international markets, including the risk of rising energy and freight prices, geopolitical unrest and regulatory regimes and business practices which may affect trading conditions, approvals, import regulation, logistics, etc.

Preventive measures

- Harboe seeks to increase volumes and the value of its own products and brands through close collaboration with customers based on market knowledge and consumer insight, and also based on consumers' and the outside world's expectations for sustainability and social responsibility.
- At the same time, efforts are being made to increase the growth of activities in markets outside Northern Europe, which can help reduce relative exposure to seasonality and ensure attractive profit margins.
- Seasonal fluctuations are also managed, among other things, by optimising production processes and coordination between the Group's production units.
- In 2023/24, there has been a continued focus on ensuring the implementation of necessary price increases to customers due to the continued high input prices.
- Harboe continuously weighs risks in relation to specific market opportunities and potential customers, and develops its export activities in close collaboration with experienced and locally recognised distributors.
- Harboe focuses on ensuring the handling of business procedures regarding contract formats, business practices and ethical standards, so that members of the workforce dealing with business relationships receive the best possible conditions and guidance on how to handle situations that deviate from normal standards, including the risk of corruption.



Raw materials and supply

- Harboe is sensitive to market fluctuations in the prices of raw materials and consumables, as increased production costs cannot always be immediately passed on to sales prices. This is especially the case for the Group's long-term private label contracts, as well as for products subject to particularly strong competition. At the same time, the Group depends on the reliability and quality of raw material supply, just as Harboe depends on raw materials and materials being delivered on time and in the agreed quantities.
- Suppliers' compliance with international standards of good corporate governance and accountability in relation to their environment may also affect Harboe's reputation and business. Harboe is also affected by ongoing developments in regulation, industry standards and demand in relation to sustainability in the use of raw materials and consumables, which may lead to increased costs and the need for changed production forms.

- The supplier collaboration is often based on long-term relationships based on terms that are adjusted and renegotiated for 1–3 years at a time. Harboe closely monitors price developments and hedges risks where relevant. The majority of Harboe's suppliers are based in Europe and thus subject to a uniform regulatory framework in accordance with European standards. Harboe continuously evaluates the quality and reliability of supply of individual suppliers and performs unannounced inspections. Where possible, Harboe has two suppliers for primary raw materials to ensure the highest possible reliability of supply.
- Harboe systematically follows up on the Group's supply chains, which commit to complying with the Group's Code of Conduct and a number of standard requirements regarding their business practices and key issues in human rights, labour rights, the environment and anti-corruption. This effort is a key element in the Group's work with corporate social responsibility and a significant focus area in strategic risk management.
- Harboe continuously monitors developments in new requirements and expectations for sustainability and assesses investment needs and necessary adjustments as part of the Group's strategy follow-up.
- To ensure production reliability, Harboe has taken steps to be able to produce without gas supply, and has also initiated investments in solar panel systems at the Group's production units.

Risks

Preventive measures



Production and quality

- Harboe's production of beverages is subject to the risk of errors or accidents that may affect the quality of the end product. This may lead to losses because products have to be discarded or recalled from the market and are detrimental to the Group's reputation.
- The production of beer, soft drinks and malt beverages requires significant water resources and the demands for sustainability in products, production and supply chains are constantly increasing.

- To minimise the risk of errors and accidents, Harboe works systematically with quality assurance in production. The Group has international quality certifications for all production facilities with established procedures for operation and maintenance. Furthermore, Harboe's production facilities are regularly subject to unannounced inspections requested by customers.
- Harboe has an ongoing focus on strengthening the coherence and coordination between the individual links in the value chain with a view to optimising the operational processes in the Group, ensuring increasingly efficient resource utilisation across the value chain and reducing the climate and environmental footprint. Harboe is also continuously investing in quality improvements and optimisation of production facilities and processes in order to consistently meet new requirements and expectations for quality, hygiene and sustainability.



Taxes

- Harboe's beer and soft drinks are subject to sales taxes to varying degrees in the Group's markets, and significant changes in these may affect Harboe's earnings and, ultimately, volumes of the Group's products. At the same time, Harboe is exposed to the risk of the introduction of new taxes, including environmental taxes, which may affect both net revenue and earnings.

- Harboe works with energy management in both the short and long term, focusing on both resource use and energy consumption in order to ensure continuous optimisation to reduce the overall climate and environmental impact, and thereby minimise the cost of current and expected future climate and environmental taxes.



Credit- and currency risks

- For the majority of the Group's activities, Harboe's sales and purchases in foreign currency continue to be made in EUR, where the currency risk is considered to be limited. However, the geographical spread of Harboe's markets means that there is a consequent commercial pricing risk in the event of significant price fluctuations in individual markets.
- Harboe is also exposed to increased credit risk on individual customers, especially in international markets.

- Harboe will continuously assess the need for currency hedging in line with developments in the Group's export activities.
- Harboe performs credit assessments of customers through both internal procedures and external business partners.
- Harboe seeks to hedge against losses on customers through ongoing assessment of the need to enter into credit insurance and letter of credit agreements, where appropriate and possible.



Liquidity and interest rate risks

- Harboe focuses on optimising cash flows and ensuring an efficient balancing of working capital and liquidity. This has ensured that the Group has continued financial flexibility to carry out ongoing strategic investments.
- Harboe's solid capital structure limits the risk associated with the development of market interest rates.

- Harboe has an ongoing focus on optimising working capital.
- Harboe's financial risks are described in more detail in the notes to the consolidated financial statements, where sensitivity analyses are presented in connection with these.



IT security

- Harboe's operations, reporting and control systems are largely driven by IT systems and dependent on a high level of IT security. Breakdowns of systems, errors or unauthorised access to the Group's IT systems therefore constitute significant and increasing risks to the Group's activities.

- Harboe has established procedures to ensure a high level of security and safeguard against crashes and loss of data in day-to-day operations, as well as general defence against cybercrime.
- Harboe has launched a number of initiatives to further secure IT systems in both production and administration, and to generally upgrade the Group's preparedness to handle this.

CASE STORY

Harboe Exotic is growing the category and gaining market share

In autumn 2023, we launched the tasty Harboe Exotic Zero Sugar as part of a portfolio strategy for the 'Orange & Exotic' flavour segment.

The product was distributed in many shops, especially discount shops, where it quickly became popular. While the entire Orange & Exotic segment has decreased by 15% in value in supermarkets in Q1 2024 compared to the previous year, the segment in discount shops has seen 9% growth.

The Harboe Exotic variants are almost solely responsible for driving this growth and have more than quadrupled their net revenue during the period.



CORPORATE GOVERNANCE

Sustainable management and values

Harboe's Board of Directors attaches great importance to ensuring that the fundamental values created and developed in Harboe through six generations of family leadership are combined in the best possible way with effective business management with the primary objective of creating value for the company's shareholders, employees and customers. The Board of Directors and management focus on ensuring that the Group's management and control systems are effective and in line with relevant standards.

Recommendations for good Corporate Governance

Harboe's management is for the most part carried out in accordance with the current recommendations for good corporate governance. The full review of each recommendation can be found on the Group's website.

Management committees

The Board of Directors has established two management committees that work under the Board of Directors – an Audit Committee and a Nomination and Remuneration Committee. In

accordance with the company's remuneration policy, a remuneration report has been prepared for 2023/24. See the link to the remuneration policy and remuneration report in the overview on the next page.

Board of Directors evaluation

In 2023/24, the Board of Directors conducted a board evaluation without external assistance. Among the main conclusions from the evaluation was that the Board of Directors was generally satisfied with the management reporting, although it still needs to be continuously developed and specific requests have been followed up on. Key items for continued discussion in the Board of Directors are strategy, ESG, stakeholder management and risk issues, including updates on NIS2 implementation and cyber security in general. In terms of organisation and management, there was satisfaction with the ongoing collaboration, as well as a desire to continue discussing the composition of competencies and succession plans.

[See the full Corporate Governance statement](#)



CASE STORY

Insights into Harboe's global brands

Knowledge about consumer behaviour and development in different categories is important when planning a category and brand strategy for the markets in which Harboe operates. This knowledge is not always readily available, and export markets in particular can be difficult to gather information about.

Therefore, in collaboration with the local import partner in the Caribbean and a global research agency, Harboe conducted a consumer study within the Dark Malt Beverages category in 2023.

The study was conducted in the Dominican Republic, one of Harboe's largest markets in the region. Harboe's own malt drink "Hyper Malt" is already selling well in the region, and the results of the study have provided valuable input on how to organise the strategy for the further development of the Hyper Malt brand.



SHAREHOLDER RELATIONS

Harboe wants to communicate openly and proactively with its investors and other stakeholders, taking into account current regulations.

Harboe will provide timely and relevant information in order to provide stakeholders with the best possible insight into the company's strategy, development and results, and thus contribute to a fair pricing of the company's share so that it best reflects the company's value and potential.

Communication takes place through the publication of company announcements and annual and interim reports, which are published to the market via Nasdaq GlobeNewswire and on Harboe's website and investor portal. Interested parties can subscribe to announcements and other information about the company via the website.

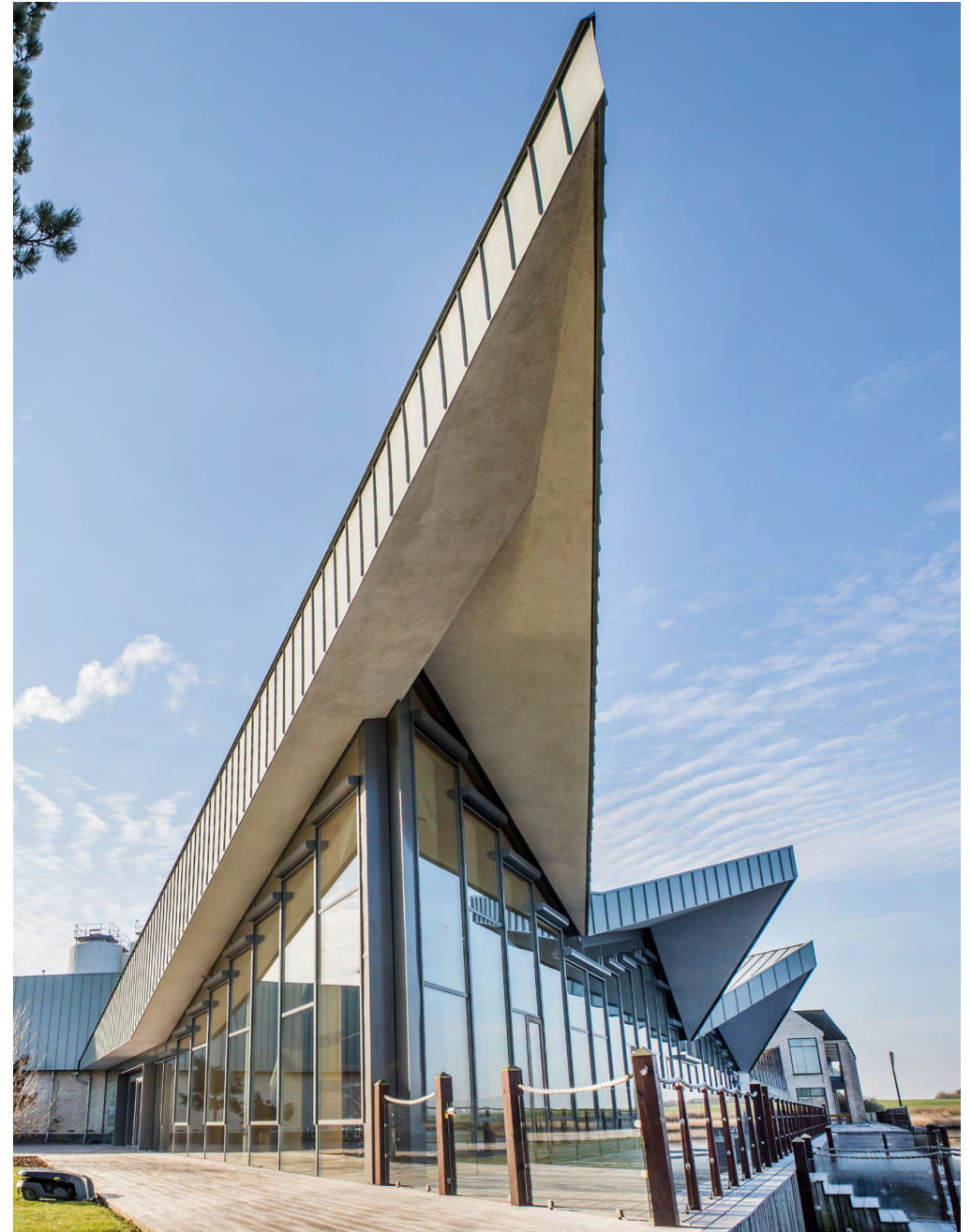
Harboe organises an annual general meeting, which can also be viewed via a live webcast, and regularly participates in meetings with investors and other stakeholders.

For a period of three weeks before the publication of planned financial reports, Harboe does not comment on financial targets or expectations, nor does the company participate in meetings with investors and other stakeholders.

Shareholders, analysts and other interested parties are welcome to contact Harboe's IR contact, and the company welcomes proposals for the further development of Harboe's investor relations.

Harboe Investor Relations
Simon Andersson, CFO
Telephone: +45 29 23 00 36
Email: sa@harboe.com

[🔗 Investor Relations](#)



Value creation for shareholders

Harboe's dividend policy is based on a desire to create sustainable and long-term value for shareholders. The policy is implemented through the payment of dividends, taking into account the company's earnings, liquidity and financial objectives.

The Board of Directors recommends to the Annual General Meeting on 22 August 2024 that dividend of DKK 2.00 per share is paid for the 2023/24 financial year.

The company holds a total of 1,777,342 class B shares, corresponding to 29.62%. No shares were purchased during the financial year.

The authorisation to purchase shares was renewed on 20 August 2020. The authorisation gives the Board of Directors the ability to purchase shares up to 50% of the share capital at a price corresponding to the share price plus/minus 10%. The authorisation is valid until the company's annual general meeting in 2025.

In previous years, acquisition of shares has taken place, e.g. with a view to strengthening the Group's capital base and ensuring flexibility in strategic preparedness, should Harboe, as part of the continued development of its activities, find it relevant to enter into strategic partnerships or make acquisitions.

	2023/24	2022/23	2021/22	2020/21	2019/20
Share price, end of year, DKK	122.50	74.0	77.8	74.0	51.0
Market value, end of year, mDKK	735	444	467	444	306
Dividend per share, DKK	2.0*	0.0	0.0	0.0	0.0
Total dividend, mDKK	12.0*	0.0	0.0	0.0	0.0
Holding of shares, pcs	1,777,342	1,777,342	1,777,342	1,777,342	1,777,342

* Proposed dividend

Ownership

At the end of the financial year, Harboes Bryggeri A/S had 5,081 registered shareholders. The registered shareholders represent mDKK 58.0 of the total share capital, corresponding to 96.3%.

As of 30 April 2024, in accordance with section 29 of the Danish Securities Trading Act, the following shareholders have reported a shareholding exceeding 5% of the share capital:

Kirsten and Bernhard Griese

Spegerborgvej 4, DK-4230 Skælskør
Capital share: 6.05%, voting share: 5.17%

Olav W. Hansen A/S

Holmboes Alle 1, 8700 Horsens
Capital share: 5.01%, voting share 2.55%.

Vibeke Harboe Malling

Spegerborgvej 14, 4230 Skælskør
Capital share: 3.40%, voting share: 16.88%

Pernille Harboe Obling

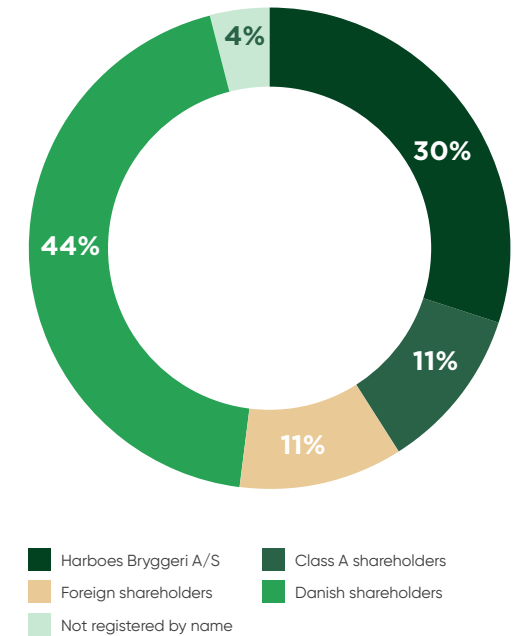
Spegerborgvej 16, 4230 Skælskør
Capital share: 3.45%, voting share: 16.90%

Karina Harboe Laursen

Krøyersvej 14, 2930 Klampenborg
Capital share: 3.45%, voting share: 16.90%

Members of the Board of Directors and Executive Board held a total of 376,801 shares as of 30 April 2024.

Distribution of shareholders



Members of the Board of Directors and the Executive Board, as well as the company's other key members of the workforce, are registered as insiders, and their share trading is subject to a reporting obligation. According to Harboe's internal rules, insiders may only trade for a period of 30 days following the publication of financial statements. And insiders are also subject to the generally applicable rules of the Market Abuse Regulation.

The share

The share capital in Harboes Bryggeri A/S amounts to DKK 60,000,000, corresponding to 6,000,000 shares at DKK 10 each. The shares are distributed with 640,000 class A shares, corresponding to a nominal value of DKK 6,400,000, and 5,360,000 class B shares, corresponding to a nominal value of DKK 53,600,000.

When voting at the company's general meeting, each class A share of DKK 10 gives 10 votes and each class B share of DKK 10 gives one vote.

Only the company's B shares are listed on NASDAQ Copenhagen. During the period, a total market value of mDKK 98.8 was traded, corresponding to an average daily net revenue of mDKK 0.39.

The Harboe share price rose from 74.0 at the beginning of the financial year to 122.50 on 30 April 2024. This represents an increase of 65.5%. In comparison, the Danish Small Cap index increased by 9.6% in the same period.

	Class A shares	Class B shares
Number of shares	640,000	5,360,000
Nominal value per share	DKK 10	DKK 10
Nominal value in total	DKK 6,400,000	DKK 53,600,000
Votes per share	10	1

Significant contracts or change in control

It is part of Harboe's business model and strategy that, as a general rule, long-term contracts are established with major customers. None of these contracts contain clauses on the possibility of termination in the event that control of the company changes.

In accordance with the remuneration policy, an extended notice period of six months has been agreed for individual directors in addition to a maximum of 24 months' notice in the event of dismissal in connection with a change of control of the company.

Financial calendar for 2024/25

Annual general meeting

22 August 2024

Trading report, Q1 2024/25

25 September 2024

Trading report, H1 2024/25

12 December 2024

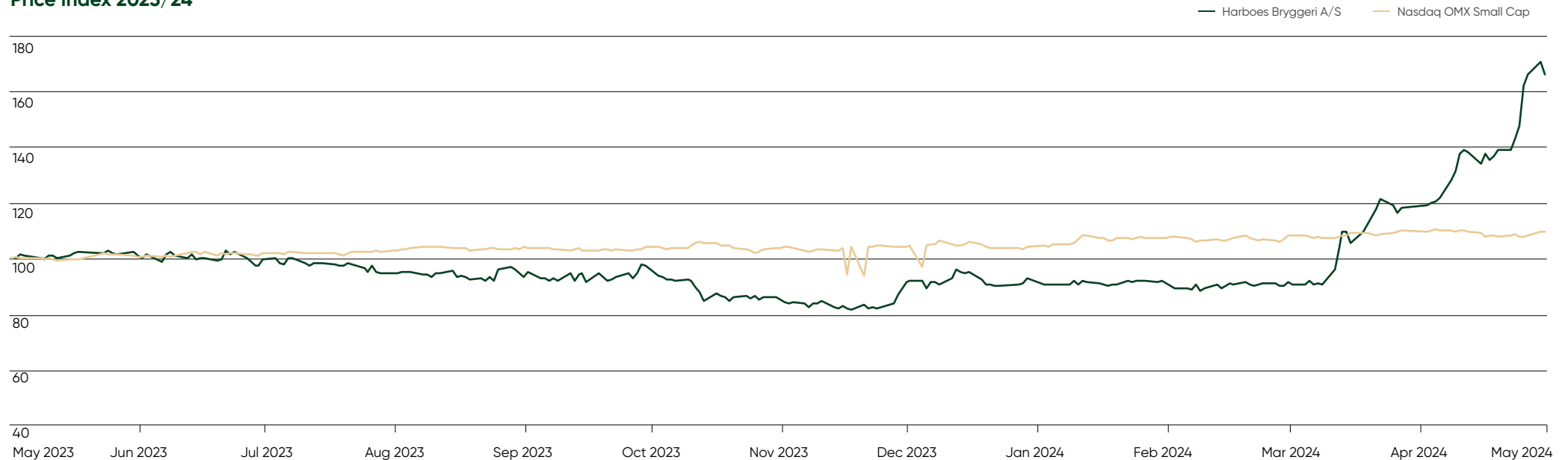
Interim report, Q3 2024/25

26 March 2025

Annual report 2024/25

26 June 2025

Price index 2023/24



CASE STORY

Harboe Pilsner 0.0% alcohol leading the value-brand segment

Non-alcoholic beer is a growth segment in the beer market, and in Denmark net revenue for Q1 2024 increased by 20% and now represents 5.5% of the total beer market.

In autumn 2023, Harboe launched a new non-alcoholic beer, "Harboe Pilsner 0.0%". The new non-alcoholic pilsner is the result of an extensive product development process focused on achieving the right quality and flavour.

Since its launch, Harboe Pilsner 0.0% has become the preferred non-alcoholic beer in the price entry segment at the end of the Q1 2024, and Harboe's sales of non-alcoholic beer have tripled in volume compared to the same period last year.

The non-alcoholic beer is produced at Harboe's new de-alcoholisation plant at the Group's German brewery in Dargun.



HARBOE'S BOARD OF DIRECTORS



Bernhard Griese (1941)

Chair of the Board of Directors

Dependent member of the Board of Directors since 1986 (former CEO of Harboes Bryggeri A/S).

Re-elected in 2010, 2014, 2015, 2016, 2017, 2018, 2018, 2019, 2020, 2021, 2022 and 2023. The term expires in 2024.

Bernhard Griese is a qualified electrical engineer and was first employed at Harboes Bryggeri in 1973. In the following years, he worked in all areas of the company. He joined the Executive Board in 1981 and was appointed CEO in 1986 – a position he held until 2019. Bernhard Griese's broad production and management experience, combined with a strong focus on innovation, is a significant asset to the Board of Directors, and has been a driving force in the Group's targeted approach to new emerging markets, ongoing efficiency improvements, production upgrades and the development of new products and brands.

Member of the Audit Committee and the Nomination and Remuneration Committee.

Holding of Harboe shares: 363,222 shares.

Change from May 1, 2023: 0 shares.

Board positions

Visbjerggården A/S (Chair)

Keldernæs A/S

Danfrugt Skælskør A/S (Chair)

Other management positions

Keldernæs A/S

Agrar Holding ApS

Agrar Produktion Niendorf GmbH, Germany



Constantine Antoine Josef Deelen (1972)

Independent member of the Board of Directors. Elected in 2022. Re-elected in 2023. The term expires in 2024.

Constantijn Antoine Josef Deelen is a Dutch citizen and holds an MSc in Business Administration from Erasmus University Rotterdam.

Constantijn Antoine Josef Deelen has run an independent consultancy business since 2016, and has investments and Board of Directors positions in a number of craft beer, spirits and football companies. He was Chair of the Dutch Brewery Association from 2019–2022. From 2009–2016, Constantijn Antoine Josef Deelen was CEO of United Dutch Breweries, which markets a wide range of beer brands in around 100 markets worldwide. Prior to that, he held a number of different management positions in the Dutch subsidiary of brewing company AB InBev from 1999–2009. Constantijn Antoine Josef Deelen's long career in the brewery sector and not least his extensive commercial experience with international sales and marketing of beverages is a valuable contribution to the Board of Directors, and the efforts to create renewed growth and realise the Group's strategic goals.

Member of the Audit Committee.

Holding of Harboe shares: 0 shares..

Change from May 1, 2023: 0 shares.

Other management positions

Owner of BBE bv

Board of Directors positions

EA Sheer Master Blenders (rum)

Co-founder of Stadshaven Brewery in Rotterdam



Sabine Disse (1976)

Independent member of the Board of Directors since 2021. Re-elected in 2022 and 2023. The term expires in 2024.

Sabine Disse is a German citizen and has an MSc in Business Administration from Friedrich-Alexander Universität. She has also completed Cambridge University's General Management Programme. Sabine Disse has been CFO of Gerolsteiner Brunnen, Germany's largest mineral water producer, since the beginning of 2023. Prior to that, she held a number of management positions, most recently as CFO at Intersnack, which produces and markets snack products across Europe. From 2008–2013 she was CFO of the brewing company Warsteiner Group, one of Europe's largest privately owned breweries in Germany.

Sabine Disse has significant insight into the German market for FMCG in the food and beverage sector, as well as broad international experience from the industry. Furthermore, her strong financial background as CFO is a valuable contribution to Harboe's Board of Directors.

Member of the Audit Committee.

Holding of Harboe shares: 0 shares.

Change from May 1, 2023: 0 shares.

Other management positions

CFO, Gerolsteiner Brunnen



Bettina Køhlert (1964)

Dependent member of the Board of Directors since 2020. (Has had a business relationship as an advisor for Harboes Bryggeri A/S within the past year). Re-elected in 2021, 2022 and 2023. The term expires in 2024.

Bettina Køhlert holds an MSc in Business Economics/Public Relations from Roskilde University and has completed CBS Executive's Board training programme. For a number of years, Bettina Køhlert has run a consulting business focusing on financial communication and investor relations, and advised a wide range of listed companies on their investor communication and in connection with a large number of business transfers and financial transactions. Bettina Køhlert has previously been employed by the ISS Group's listed parent company and served as the employee-elected member of ISS' Board of Directors. Bettina Køhlert's experience with financial communication and compliance in listed companies is an important contribution to the board's work.

Chair of the Nomination and Remuneration Committee. Member of the Audit Committee.

Holding of Harboe shares: 1,402 shares.
Change from May 1, 2023: 0 shares.

Other management positions

Director/partner of Guidance ApS
Director, Bettina Køhlert Kommunikation ApS



Ruth Schade (1951)

Dependent member of the Board of Directors since 2020. (Former Group Chief Executive of Harboes Bryggeri A/S). Re-elected in 2021, 2022 and 2023. The term expires in 2024.

Ruth Schade originally qualified as a primary school teacher and has a Bachelor's degree in Economics. She has completed a diploma in business administration, sustainability and the UN's Sustainable Development Goals, as well as CBS Executive's Board training.

Ruth Schade has been employed at Harboes Bryggeri since 1980, where she held a number of management positions, most recently as Group CEO until April 2020. Ruth Schade has been involved in all aspects of Harboe's commercial and strategic development and, prior to her retirement, was a driving force in the formulation of a new sustainability strategy. Ruth Schade's experience and significant insight into the Group ensures continuity, as well as being an important contribution to the work of the Board of Directors.

Chair of the Audit Committee.

Member of the Nomination and Remuneration Committee.

Holding of Harboe shares: 5,440 shares.
Change from May 1, 2023: 0 shares.

Board of Directors positions

Danfrugt Skælskør A/S
Visbjerggården A/S
Keldernæs A/S



Jakob Skovgaard (1974)

Independent member of the Board of Directors since 2021. Re-elected in 2022 and 2023. The term expires in 2024.

Jakob Skovgaard has an MSc in Engineering from the Technical University of Denmark and completed INSEAD's Executive Board Programme. Jakob Skovgaard has run a self-employed consultancy firm since 2020 within strategy and marketing and is currently CEO of PlanetDiary Aps. From 2004 to 2017, he was employed at Arla Foods, where he worked with international strategy development and was later given global responsibility for growth and sales of the group's cheese category. In 2017, Jakob Skovgaard joined Danish Crown Foods, where he became the managing director of the group's activities in Denmark. Jakob Skovgaard's extensive knowledge of global sales and marketing, consumer trends and innovation, as well as experience with the Danish retail market is a valuable contribution to Harboe's Board of Directors.

Member of the Audit Committee and the Nomination and Remuneration Committee.

Holding of Harboe shares: 4,487 shares.
Change from May 1, 2023: 0 shares.

Other management positions

Owner, Skovgaard Management Aps
Founder and CEO, PlanetDairy Aps



Louise Kærgaard Pedersen (1980)

Elected by the workforce of Harboes Bryggeri A/S in 2023.
The term expires in 2027.

Louise Kærgaard Pedersen has been employed at Harboes Bryggeri since 2020 – first as quality coordinator and later as supply specialist. Louise Kærgaard Pedersen is also a health and safety representative. As a workforce-elected board member, Louise Kærgaard Pedersen brings an interdisciplinary insight into day-to-day operations and thereby makes a valuable contribution to the Board of Directors' work.

Holding of Harboe shares: 0 shares.
Change from May 1, 2023: 0 shares.



Jan Pietras (1975)

Elected by the workforce of Harboes Bryggeri A/S in 2023.
The term expires in 2027.

Jan Pietras has been employed at Harboes Bryggeri since 1995 – the first years in the warehouse and in production, later as a forklift driver. Jan Pietras is also a member of the Works Council. As a workforce-elected board member, Jan Pietras contributes with his great insight into the company's daily operations and thereby a valuable insight into the Board of Directors' work.

Holding of Harboe shares: 737 shares.
Change from May 1, 2023: 0 shares.



Simone Bagge Jensen (1988)

Elected by the workforce of Harboes Bryggeri A/S in 2023.
The term expires in 2027.

Simone Bagge Jensen has been employed as a legal member of staff at Harboes Bryggeri since 2013, and in recent years also as project manager for a number of development projects. As a workforce-elected board member, Simone Bagge Jensen brings an interdisciplinary insight into the daily administrative operations and thereby makes a valuable contribution to the Board of Directors' work.

Holding of Harboe shares: 0 shares.
Change from May 1, 2023: 0 shares.

HARBOE'S MANAGEMENT



Søren Malling (1971)

CEO

Søren Malling has many years of management experience with Harboes Bryggeri A/S, where he has worked on a wide range of development and operational tasks within planning and logistics. In 2005, he was appointed Logistics Director, where he was responsible for the Group's Supply Chain Management and the implementation of the Group's ERP system across its production units. In December 2019, he was appointed CEO.

Holding of Harboe shares: 1,200 shares.
Change from May 1, 2023: 0 shares.



Simon Andersson (1978)

CFO

Simon Andersson has a Master of Science in Business Economics and Auditing and joined Harboes Bryggeri in 2022. He has broad experience from the food and beverage industry, most recently from a position as CFO at Lantmännen Schulstad. From 2005 to 2019, he was employed at Royal Unibrew, where he held a number of management positions over the years, including a number of years as Head of Group Controlling, and before that also commercial management roles, as well as an interim role as Plant Director in Italy.

Holding of Harboe shares: 0 shares.
Change from May 1, 2023: 0 shares.



Martin Schade (1964)

CCO

Martin Schade has been with Harboes Bryggeri since 1997 and has held a number of management positions in the Group over the years. In 2010, he was appointed director in charge of day-to-day management. In December 2019, he joined the Executive Board, first as COO and later as CCO. Martin completed military leadership training and served as a commissioned officer in the army for a number of years. Before joining Harboes Bryggeri, he was a buyer and department manager at Dansk Supermarked for a number of years.

Holding of Harboe shares: 1,050 shares.
Change from May 1, 2023: 0 shares.



Sascha Hennings (1973)

CCO

Sascha Hennings is a trained brewmaster at Berlin's Technische Universität and has been with Harboes Bryggeri since 2021, first as CEO of Harboe's German brewery, Darguner Brauerei, and from 2022 as COO of the Group. Sascha joined Harboe after a number of years in the Carlsberg Group, where he was Head of Production, Director of Carlsberg's German brewery Holsten, Supply Chain Director for Asia and Africa and most recently Supply Chain Senior Director, Group Asset Management & Engineering Standards.

Holding of Harboe shares: 0 shares.
Change from May 1, 2023: 0 shares.



Vibeke Harboe Malling (1972)

CCO

Vibeke Harboe Malling is a qualified nurse and has run her own business for a number of years. From 1996-2008, she was a member of the Board of Directors of Harboes Bryggeri. In 2019, she joined Harboes Bryggeri as HR partner. In 2022, she was appointed HR Director, and in 2023, she was appointed Chief People Officer and member of the management team. Vibeke Harboe Malling has completed a Board of Directors training programme at the Board Institute and a number of HR and ESG programmes at CBS and the Confederation of Danish Industry (DI), among others.

Holding of Harboe shares: 204,233 shares.
Change from May 1, 2023: 0 shares.

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS REGARDING THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of Harboes Bryggeri A/S for the 1 May 2023 – 30 April 2024 financial year.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

In our opinion, the consolidated financial statements and annual financial statements give a true and fair view of the Group's and the company's assets, liabilities and financial position at 30 April 2023, and of the results of the Group's and the company's operations and cash flows for the 1 May 2023 – 30 April 2024 financial year. In our opinion, the management report provides

a true and fair account of developments in the Group's and the company's activities and financial situation, the year's net results, the company's financial position and the financial position as a whole for the companies covered by the consolidated financial statements, as well as a description of the material risks and uncertainties which the Group and the company face.

In our opinion, the annual report for the 1 May 2023 – 30 April 2024 financial year with the file name HarboesBryggeri-2024-04-30-en.zip has, in all material respects, been prepared in accordance with the ESEF Regulation.

The annual report is submitted for approval at the annual general meeting.

Skælskør, 27 June 2024.

Executive Board

Søren Malling
CEO

Martin Schade
COO

Simon Andersson
CFO

Board of Directors

Bernhard Griese

Bettina Köhlert

Constantijn Antoine
Josef Deelen

Chair

Ruth Schade

Sabine Disse

Jakob Skovgaard

Louise Kærgaard Pedersen
Workforce-elected

Jan Pietras
Workforce-elected

Simon Bagge Jensen
Workforce-elected

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF HARBOES BRYGGERI A/S

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

AUDIT OPINION

It is our opinion that the consolidated financial statements and annual financial statements present a true and fair view of the Group's and the company's assets, liabilities and financial position as at 30 April 2024, and of the results of the Group's and the company's operations and cash flows for the 1 May 2023 – 30 April 2024 financial year, in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our audit opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

What we audited

Harboes Bryggeri A/S' consolidated financial statements and financial statements for the 1 May 2023 – 30 April 2024 financial year comprise income statement and statement of comprehensive income, balance sheet, statement of

changes in equity, cash flow statement and notes, including information on accounting policies, for both the Group and the company ("the financial statements").

BASIS FOR THE AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditors' responsibility for the audit of the financial statements" section of the auditors' report.

It is our view that the audit evidence we have obtained is sufficient and suitable as the basis for our audit opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' international guidelines for the ethical conduct of auditors (IESBA Code), and the additional ethical requirements that are applicable in Denmark, and we have fulfilled our

other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, no prohibited non-audit services within the meaning of Article 5(1) of Regulation (EU) No 537/2014 have been performed.

Election

We were first appointed auditor for Harboes Bryggeri A/S on 21 August 2018 for the financial year 1 May 2018 – 30 April 2019. We have been re-elected annually by resolution of the general meeting for a total consecutive term of office of five years up to and including the 1 May 2023 – 30 April 2024 financial year.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of the greatest significance in our audit of the financial statements for 1 May 2023 – 30 April 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We express no separate opinion on these matters.

Valuation of inventories

As at 30 April 2024, inventories in the Group totalled tDKK 194,416 (tDKK 205,368 as at 30 April 2023), of which tDKK 82,466 (tDKK 95,989 as at 30 April 2023) are finished goods, cf. Note 17. We have assessed that the measurement of cost prices in the finished goods inventory is a key audit matter, as the calculation of cost prices is associated with estimates in relation to the calculation of production prices and which production costs can be attributed to cost prices of the finished goods. The measurement of cost prices of finished goods has a significant influence on the value of the Group's inventories and consumption of goods.

The matter has been addressed in the audit as follows

Our audit procedures included an assessment of the controls designed and implemented by management for the calculation and recognition of cost prices, including the calculation of indirect production costs for the goods inventory in accordance with the company's accounting policies. Furthermore, we have randomly tested the correctness of the cost prices applied to the

finished goods inventory. These actions have included challenging management's assumptions and estimates, including challenging the continuity of estimates made by management, as well as assessing underlying data and systems. We have also checked the link to underlying production calculations.

Valuation of the Group's non-current assets

The Group's non-current assets are tDKK 667,650 as at 30 April 2024 (tDKK 622,801 as at 30 April 2023). We have assessed that the measurement of the Group's non-current assets constitutes a key audit matter, as the results in recent years show that there are indications of a need for impairment.

Management has prepared an impairment test of the non-current assets for each segment. The impairment test is based on a calculation of the discounted value of the assets' future expected cash flows for each segment. The impairment test is based on significant estimates, including management's expectations of future cash flows, growth rates and discount rates.

We refer to this in Note 2 to the consolidated financial statements on significant accounting estimates, assumptions and uncertainties, from which it appears that management has concluded that there is no basis for impairment of the non-current assets.

The matter has been addressed in the audit as follows

Our audit procedures included a review and assessment of management's impairment model for each segment, including whether the determination of cash-generating units appropriately supports an impairment test of the Group's non-current assets for each segment.

We have assessed whether the most important assumptions used are reasonable and what uncertainties are associated with them. We have ensured that management's assessments are based on management-approved budgets, including whether the strategy and budget basis support the assumptions used.

We have assessed the discounted cash flows, including the growth rates applied by management and the discount factors used by assessing management's assumptions used in determining the discount factors, the initiatives taken to increase the Group's net revenue and improve profitability. We have also assessed the basis for the sensitivity analyses performed.

We have read Note 2 to the consolidated financial statements on significant accounting estimates, assumptions and uncertainties and assessed whether the impairment test performed for each segment and the key assumptions applied have been disclosed in an appropriate manner and in accordance with IFRS.

OPINION ON THE MANAGEMENT REPORT

Management is responsible for the management report.

Our opinion on the financial statements does not cover the management report, and we express no firm opinion on the management report.

In connection with our audit of the financial statements, our responsibility is to read the management report and, in doing so, consider whether the management report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, our responsibility is to consider whether the management report contains the information required by the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Based on the work we have performed, in our opinion, the management report is consistent with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements in Article 8 of the Taxonomy Regulation. We have not found any material misstatements in the management report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and financial statements that provide a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act. Management is also responsible for such internal control as management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the company or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark

will always detect material misstatement when it exists. Misstatements can arise from fraud or error and may be considered material if they can reasonably be expected to influence, individually or collectively, the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect material misstatements caused by fraud is greater than the risk of failing to detect material misstatements caused by error, as fraud may include conspiracy, forgery, deliberate omission, misdirection or overriding of internal controls.
- We obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and company's internal control.
- We determine whether the accounting policies applied by management are appropriate and whether the accounting estimates and related information prepared by management are reasonable.
- We conclude whether management's preparation of the consolidated financial statements and the annual financial statements on the basis of the accounting principle of going concern is appropriate, and whether there is significant uncertainty associated with events or circumstances that may create significant doubts about the Group's and company's ability to operate as a going concern. If we conclude that material uncertainty exists, in our auditors' report we are required to draw attention to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our opinions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may mean that the Group and the company can no longer continue to operate as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including information in the notes, and whether the financial statements represent the underlying transactions and events in a manner that provides a fair view.
- We obtain sufficient and appropriate audit evidence regarding the financial information of the companies or business activities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for leading, overseeing and conducting the Group audit. We alone are responsible for our auditors' opinion.

We communicate with senior management about matters such as the planned scope and timing of the audit, as well as significant audit observations, including any significant deficiencies in internal controls that we identify during our audit.

We also provide senior management with a statement that we have complied with relevant ethical requirements regarding independence, and disclose to them all relationships and other matters that may reasonably be thought to impact our independence and, where applicable, safeguards applied or actions taken to eliminate threats.

Based on the matters communicated to senior management, we determine those matters that were of most significance in the audit of the financial statements for the current period, and are therefore the key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes disclosure.

DECLARATION OF COMPLIANCE WITH THE ESEF REGULATION

As part of our audit of the financial statements of Harboes Bryggeri A/S, we have performed procedures to express an opinion on whether the annual report for the 1 May 2023 – 30 April 2024 financial year, file name HarboesBryggeri-2024-04-30-en.zip, has been prepared in accordance with the EU Commission Delegated Regulation 2019/815 on the common electronic reporting format (ESEF Regulation), which contains requirements for the preparation of an annual report in XHTML format and iXBRL tagging of the consolidated financial statements, including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation, including:

- Preparation of the annual report in XHTML format,
- Selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and anchoring of these two elements of the taxonomy, for financial information that requires tagging, with discretion exercised where necessary,
- Ensuring consistency between iXBRL-tagged data and the human readable consolidated financial statements, and

- For the internal controls that management considers necessary to prepare an annual report that complies with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the annual report has been prepared in all material respects in accordance with the ESEF Regulation, based on the evidence obtained, and to express an audit opinion. The nature, scope and timing of the selected actions depend on the auditor's professional judgement, including the assessment of the risk of significant deviation from the requirements in the ESEF Regulation, whether due to fraud or error. These actions include:

- Verification that the annual report has been prepared in XHTML format,
- Gaining an understanding of the company's process for iXBRL tagging and of the internal controls regarding the tagging process,
- Assessment of the completeness of the iXBRL tagging of the consolidated financial statements including notes,
- Assessment of whether the use of iXBRL elements from the ESEF taxonomy and the company's creation of extensions to the taxonomy is appropriate when relevant elements of the ESEF taxonomy have not been identified,

- Assessing the anchoring of extensions to elements of the ESEF taxonomy, and
- Reconciliation of iXBRL-tagged data against the audited consolidated financial statements.

In our opinion, the annual report for the financial year 1 May 2023 – 30 April 2024 with the file name HarboesBryggeri-2024-04-30-en.zip, has in all material respects been prepared in accordance with the ESEF Regulation.

Slagelse, 27 June 2024

Beierholm
Private Limited Company of State-Authorised
Public Accountants
CRN (CVR) 32 89 54 68

Christian Buchwald Nielsen
State-authorized public accountant
MNE no. mne44106

Tony Ahle Mouridsen
State-authorized public accountant
MNE no. mne47777

Harboe Breweries

Spegerborgvej 34

DK-4230 Skælskør

Tel. +45 58 16 88 88

CRN (CVR): 43 91 05 15

post@harboe.com

harboe.com

Investor Relations

Simon Andersson

Tel: +45 58 16 88 88

sa@harboe.com

harboes.gcs-web.com

Text: Guidance

Design and layout: By Milo

Published: 27 June 2024

