

# CARLSBERG FINANS A/S

Ny Carlsberg Vej 100  
DK-1799 København V

Annual report  
1 January 2017 - 31 December 2017

**The annual report has been presented and  
approved on the company's general meeting the**

**16/05/2018**

**Ulrik Andersen**  
**Chairman of general meeting**

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# Company information

<b>Reporting company</b>	CARLSBERG FINANS A/S Ny Carlsberg Vej 100 DK-1799 København V  Phone number: +45 33273327  CVR-nr: 12867336 Reporting period: 01/01/2017 - 31/12/2017
<b>Main financial institution</b>	Danske Bank A/S  Holmens Kanal 2-12 1092 København K DK Danmark
<b>Auditor</b>	PRICEWATERHOUSECOOPERS STATS-AUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 2900 Hellerup DK Danmark  CVR-nr: 33771231 P-number: 1016959517

# Statement by Management

The Supervisory Board and the Executive Board have today discussed and approved the Annual Report of Carlsberg Finans A/S for 2017.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies used to be appropriate. In our opinion the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion the Management's review includes a fair review of the matters the review describes.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, the 16/05/2018

## Management

Curt Anders Johan Örbom

## Board of directors

Ulrik Andersen

Olga Golchikova

Tina Agerkvist Aggerholm

# The independent auditor's report on financial statements

To the Shareholders of Carlsberg Finans A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Carlsberg Finans A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies ("financial statements").

## Basis for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is 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 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibility

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

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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 not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride of internal control.

- Obtain an understanding of internal control 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management's review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 16/05/2018

Rikke Lund-Kühl , mne33507  
Statsautoriseret Revisor  
PRICEWATERHOUSECOOPERS

Poul P. Petersen , mne34503  
Statsautoriseret Revisor  
PRICEWATERHOUSECOOPERS

STATSAUTORISERET  
REVISIONSPARTNERSELSKAB  
CVR: 33771231

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# Management's Review

The objects of the company are to offer expert assistance relating to investment and financing, and to carry on portfolio management, capital transactions, money-market operations and investments in securities.

## **The development in activities and financial position**

The company activity is to administrate part of Carlsberg Breweries A/S' loan portfolio and to provide loans to subsidiaries in the Carlsberg Group.

Due to the development in the currency NOK the company has had a unrealized currency loss of DKK 186,295k on their loan to Ringnes Norge A/S.

Profit for the year is a profit of DKK 79,378k.

The Company's equity as of 31 December 2017 amounts to DKK 9,842,524k.

## **Expectations for the coming year**

For the coming year the result will depend on the level of activity and changes in interests and exchange rates. The Company has substantial receivables in the currencies EUR and NOK, the result will depend on fluctuations in these currencies. A positive result is expected for 2018.

## **Events occurring after the date of balance**

No events that have significant influence on the true and fair view of the financial position have occurred since the end of the reporting period.



# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

## Foreign currency valutaion

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency (DKK) at the exchange rate ruling at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate ruling at the end of the reporting period. The difference between the exchange rate at the end of the reporting period and the exchange rate at the date on which the receivable or payable arose or the exchange rate in the last annual report is recognised in the income statement under financial income or financial expenses.

## INCOME STATEMENT

### Net Revenue

Net revenue comprises management fee for loanhandling.

### Administrative expenses

Administrative expenses comprises primarily staff costs, audit fee and management fee for rent, IT, backoffice services etc.

### Financial income and expenses

Financial income and expenses include interests, realised and unrealised exchange rate gains and losses as well as charges and allowances under the tax-on-account scheme etc.

### Tax on profit/loss for the year

Tax for the year included in the Income statement consist of the current tax for the year and the changes in deferred tax.

Current tax is calculated on the applied tax rate for the current year.

The Company is jointly taxed with Carlsberg A/S. The jointly taxed Danish companies settles the calculated payable tax to Carlsberg A/S. Carlsberg A/S settles the tax with the tax authorities (full distribution method).

## BALANCE SHEET

### Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

### Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation. Deferred tax is measured in accordance with the tax rules and the tax rates applicable at the balance sheet date, when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

### Financial liabilities

Liabilities are measured at net realisable value.

# Income statement 1 Jan 2017 - 31 Dec 2017

	Disclosure	2017 kr.	2016 kr.
Revenue .....		2,435,220	2,402,652
<b>Gross Result .....</b>		<b>2,435,220</b>	<b>2,402,652</b>
Administrative expenses .....	1	-2,594,402	-2,593,110
<b>Profit (loss) from ordinary operating activities .....</b>		<b>-159,182</b>	<b>-190,458</b>
Other finance income .....	2	291,808,005	441,264,336
Other finance expenses .....	3	-187,557,606	-39,278,649
<b>Profit (loss) from ordinary activities before tax .....</b>		<b>104,091,217</b>	<b>401,795,229</b>
Tax expense .....	4	-24,713,059	-88,203,635
<b>Profit (loss) .....</b>		<b>79,378,158</b>	<b>313,591,594</b>
<b>Proposed distribution of results</b>			
Proposed dividend recognised in equity .....		80,000,000	313,000,000
Retained earnings .....		-621,842	591,594
<b>Gross .....</b>		<b>79,378,158</b>	<b>313,591,594</b>

# Balance sheet 31 December 2017

## Assets

	Disclosure	2017	2016
		kr.	kr.
Receivables from group enterprises .....	9,544,480,296	9,836,698,409	
Current deferred tax assets .....	16,137,158	16,137,158	
<b>Investments .....</b>	<b>9,560,617,454</b>	<b>9,836,698,409</b>	
<b>Total non-current assets .....</b>	<b>9,560,617,454</b>	<b>9,836,698,409</b>	
Receivables from group enterprises .....	305,432,845	333,520,122	
Other receivables .....	476	17,072,099	
<b>Receivables .....</b>	<b>305,433,321</b>	<b>350,592,221</b>	
<b>Current assets .....</b>	<b>305,433,321</b>	<b>350,592,221</b>	
<b>Total assets .....</b>	<b>9,866,050,775</b>	<b>10,187,290,630</b>	

# Balance sheet 31 December 2017

## Liabilities and equity

	Disclosure	2017 kr.	2016 kr.
Contributed capital .....	5	9,508,000,000	9,508,000,000
Retained earnings .....		254,523,669	255,148,188
Proposed dividend .....		80,000,000	313,000,000
<b>Total equity .....</b>		<b>9,842,523,669</b>	<b>10,076,148,188</b>
Payables to group enterprises .....		207,000	40,345,974
Tax payables .....		22,900,068	86,420,313
Other payables, including tax payables, liabilities other than provisions .....		420,038	513,313
<b>Short-term liabilities other than provisions, gross .....</b>		<b>23,527,106</b>	<b>111,142,442</b>
<b>Liabilities other than provisions, gross .....</b>		<b>23,527,106</b>	<b>111,142,442</b>
<b>Liabilities and equity, gross .....</b>		<b>9,866,050,775</b>	<b>10,187,290,630</b>

# Disclosures

## 1. Administrative expenses

The Board of Directors and the Executive Board have not received remuneration.

At 31 December 2017 the Company had 2 full-time employee (2016: 2 employees).

Staff cost is included in Administrative expenses and specified below

	<b>2017</b>	<b>2016</b>
	<b>kr.</b>	<b>kr.</b>
Salary and remuneration	1,461,582	1,226,859
Pension	151,003	143,527
Other cost to social security	89,063	261,106
<b>Total Staff cost</b>	<b>1,701,648</b>	<b>1,631,492</b>

## 2. Other finance income

	<b>2017</b>	<b>2016</b>
	<b>kr.</b>	<b>kr.</b>
Interest income from group enterprises	283,970,290	300,574,562
Gain on foreign exchange	7,837,715	140,689,774
<b>Total</b>	<b>291,808,005</b>	<b>441,264,336</b>

## 3. Other finance expenses

	<b>2017</b>	<b>2016</b>
	<b>kr.</b>	<b>kr.</b>
Interest on loans	-2,039	-2,346
Interest expenses to group enterprises	-1,254,498	-1,606,947
Exchange rate loss	-186,295,037	-37,662,528
Other financial costs	-6,032	-6,828
<b>Total</b>	<b>-187,557,606</b>	<b>-39,278,649</b>

#### 4. Tax expense

	2017 kr.	2016 kr.
Current Tax	-22,900,068	-88,394,950
Changes in deferred Tax	0	0
Adjustment for previous years	-1,812,991	191,315
	<b>-24,713,059</b>	<b>-88,203,635</b>

In 2017 the Company paid tax of DKK 88,233k (2016: DKK 22,020k ).

#### 5. Contributed capital

Share capital consists of 9,508,000 shares of DKK 1,000. Shares are not divided into classes. The share capital was increased with DKK 1.2 bn in 2015 and DKK 8,283,000 in 2013. Otherwise there has been no changes to the share capital in the past 5 years.

#### 6. Disclosure of contingent liabilities

The company is jointly taxed with Carlsberg A/S. As a fully owned subsidiary companies are liable jointly and severally with the other companies in the joint taxation of Danish corporate taxes and withholding taxes on dividends, interest and royalties in the joint taxation. The total amount is shown in the financial statements of Carlsberg A/S, the management company of the joint taxation.

#### 7. Disclosure of ownership

##### Ownership

Shareholders:

Baltika Breweries LLC, Rusland, 63,59%

Carlsberg Breweries A/S, Copenhagen, 36,41%

##### Group relations

The Company accounts is part of the smallest group Carlsberg Breweries A/S, Copenhagen and the largest group Carlsberg A/S, Copenhagen.