

CARLSBERG INVEST 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**

04/04/2018

Snorre Welling
Chairman of general meeting

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Company information

Reporting company CARLSBERG INVEST A/S
Ny Carlsberg Vej 100
DK-1799 København V

CVR-nr: 18273837
Reporting period: 01/01/2017 - 31/12/2017

Auditor

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 Invest 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 04/04/2018

Management

Ulrik Andersen

Board of directors

Ulrik Andersen

Andreas Bernhard Kirk

Monica Gregers Smith

The independent auditor's report on financial statements

To the shareholder of Carlsberg Invest 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 Invest A/S for the financial year 1 January - 31 December 2017, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("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 Responsibility 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 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 override 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, 04/04/2018

Rikke Lund-Kühl , mne33507
 State Authorised Public Accountant
 PRICEWATERHOUSECOOPERS
 STATS AUTORISERET
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Poul P. Petersen , mne34503
 State Authorised Public Accountant
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Management's Review

The objective of the Company is investments in breweries.

The development in activities and financial position

Profit for the year is DKK 107,763k, which is to be transferred to retained earnings.

The Company's equity as of 31 December 2017 amounts to DKK 1,542,980k.

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 are unchanged from last year.

Foreign currency valuation

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

Administrative expenses

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

Other operating income

Other operating income comprise items of a secondary nature relative to the company's main business.

Financial income and expenses

Financial income and expenses include interests, dividends, 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

The tax for the year included in the income statement consists 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

Investments

Equity investments in group entities and associates and other investments are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Receivables

Receivables are measured at amortised cost. Write-down are 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 base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period and 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.
Administrative expenses	1	-2,051,000	-1,712,000
Other operating income		29,000	22,000
Profit (loss) from ordinary operating activities		-2,022,000	-1,690,000
Other finance income	2	174,868,000	59,690,000
Other finance expenses	3	-68,207,000	-175,510,000
Profit (loss) from ordinary activities before tax		104,639,000	-117,510,000
Tax expense		3,124,000	-418,352,000
Profit (loss)		107,763,000	-535,862,000
Proposed distribution of results			
Retained earnings		107,763,000	-535,862,000
Gross		107,763,000	-535,862,000

Balance sheet 31 December 2017

Assets

	Disclosure	2017	2016
		kr.	kr.
Investments in group enterprises	4,960,552,000	4,953,462,000	
Other investments	58,000	58,000	
Investments	4,960,610,000	4,953,520,000	
Total non-current assets	4,960,610,000	4,953,520,000	
Receivables from group enterprises	152,236,000	146,622,000	
Current deferred tax assets	5,465,000	2,340,000	
Tax receivables	0	25,091,000	
Receivables	157,701,000	174,053,000	
Cash and cash equivalents	3,619,000	0	
Current assets	161,320,000	174,053,000	
Total assets	5,121,930,000	5,127,573,000	

Balance sheet 31 December 2017

Liabilities and equity

	Disclosure	2017	2016
		kr.	kr.
Contributed capital		33,000,000	33,000,000
Retained earnings		1,509,980,000	1,400,199,000
Total equity		1,542,980,000	1,433,199,000
Payables to group enterprises		3,577,064,000	3,689,700,000
Long-term liabilities other than provisions, gross		3,577,064,000	3,689,700,000
Debt to banks		0	391,000
Trade payables		220,000	685,000
Payables to group enterprises		469,000	2,334,000
Tax payables		804,000	0
Other payables, including tax payables, liabilities other than provisions		393,000	1,264,000
Short-term liabilities other than provisions, gross		1,886,000	4,674,000
Liabilities other than provisions, gross		3,578,950,000	3,694,374,000
Liabilities and equity, gross		5,121,930,000	5,127,573,000

Disclosures

1. Administrative expenses

Average number of full time employees throughout the year is 2 (2016: 4).

	2017	2016
	kr.	kr.
Salary and remuneration	-127,000	-4,462,000
Social security contribution	-365,000	-112,000
	<u>-492,000</u>	<u>-4,774,000</u>

2. Other finance income

	2017	2016
	kr.	kr.
Received dividend, Oy Sinebrychoff AB	111,560,000	37,193,000
Received dividend, Sinebrychoff Supply Company Oy	37,186,000	0
Group contribution	26,122,000	22,443,000
Interest income from group companies	0	39,000
Interest income external	0	15,000
	<u>174,868,000</u>	<u>59,690,000</u>

3. Other finance expenses

	2017	2016
	kr.	kr.
Interest expense to group companies	-55,373,000	-69,666,000
Interest expense to external	-12,834,000	-105,844,000
	<u>-68,207,000</u>	<u>-175,510,000</u>

4. 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.

5. Disclosure of ownership

Ownership

The share capital is fully owned by Carlsberg Breweries A/S, Copenhagen.

Group relations

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