

Carlsberg Invest A/S

J.C. Jacobsens Gade 1, DK - 1799 København V

CVR-nr. 18273837

Annual Report 2019

The Annual Report has been presented and approved on the company's general meeting the 20 May 2020

Chairman of the general meeting

Andreas Bernhard Kirk

Content

	<u>Page</u>
Statement by Management	2
The independent auditor's report on financial statements	3
Company information	5
Management's review	7
Income statement	8
Balance sheet	9
Statement of changes in Equity	11
Disclosures	12

Statement by Management

The Supervisory Board and the Executive Board have today discussed and approved the Annual Report of Carlsberg Invest A/S for 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 20 May 2020

Executive Board

Ulrik Andersen

Supervisory Board

Monica Gregers Smith

Andreas Bernhard Kirk

Ulrik Andersen

Independent auditor's report

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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, 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 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.

Statement on 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.

Management's Responsibilities 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 Responsibilities 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 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 audit.

Copenhagen, 20 May 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR number: 33771231

Rikke Lund-Kühl
State Authorised Public Accountant
mne33507

Poul P. Petersen
State Authorised Public Accountant
mne 34503

Company information

Reporting company	Carlsberg Invest A/S J.C. Jacobsens Gade 1 DK-1799 København V CVR-no. 18273837 Reporting period: 1 January - 31 December Municipality: Copenhagen
Executive Board	Ulrik Andersen
Supervisory Board	Monica Gregers Smith Andreas Bernhard Kirk Ulrik Andersen
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Danmark CVR number: 33771231

Key figures

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement - mio kr					
Profit (loss) from ordinary operating activities	0	-1	-2	-2	-1
Other finance items, net	114	132	107	-116	151
Profit (loss) from ordinary activities before tax	114	131	105	-118	150
Profit (loss)	111	132	108	-536	138
Balance sheet - mio kr					
Non-current assets	4,972	4,976	4,961	4,954	5,486
Current assets	220	161	161	174	203
Equity total	5,192	1,680	1,543	1,433	1,976
Long-term liabilities	0	3,456	3,577	3,690	3,705
Short-term liabilities other than provisions	0	1	2	5	8
Total assets	5,192	5,137	5,122	5,128	5,689
Key figures in %					
Return on investments ¹⁾	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio ²⁾	100%	33%	30%	28%	35%
Return on equity ³⁾	3.2%	8.2%	7.3%	-31.4%	7.2%
Employees					
Average number of employees	2	2	2	4	4

Calculation of key figures

1) Return on investment

2) Equity ratio

3) Return on equity

Profit (loss) from ordinary activities before special items as a percentage of average Assets

Equity at year-end as a percentage of total assets at year-end

Profit (loss) as a percentage of average Equity

Management's review

The objective of the Company is investments in breweries.

Development in activities and financial position

Profit for the year is DKK 110,969k, which is lower than last year's result. Profit will be transferred to retained earnings. The Company's equity as of 31 December 2019 amounts to DKK 5,191,589k.

In 2020, the COVID-19 pandemic significantly impacts our businesses with government intervention in some key markets, including full or partial lock-downs. The financial impact thereof remain uncertain.

Events occurring after balance sheet date

In 2020, the COVID-19 pandemic significantly impacts our businesses with government intervention in some key markets, resulting full or partial lock-downs. The impact on our financial and operating performance cannot be reasonably estimated at this time as it depends on the horizon of the governmental interventions.

Risks

The company has assessed not to have specific operating-, financial-, interest rate- or credit risks.

Income statement 1 January - 31 December

	Note	2019 DKK '000	2018 DKK '000
Administrative expenses	3	-284	-1,438
Other operating income		27	30
Profit (loss) from ordinary operating activities		<u>-257</u>	<u>-1,408</u>
Other finance income	4	190,795	194,539
Other finance expenses	5	-76,375	-62,334
Profit (loss) from ordinary activities before tax		<u>114,163</u>	<u>130,797</u>
Tax expense		-3,194	1,536
Profit (loss)		<u>110,969</u>	<u>132,333</u>
Proposed distribution of results			
Retained earnings		110,969	132,333
Gross		<u>110,969</u>	<u>132,333</u>

Balance sheet 31 December

Assets	Note	2019 DKK '000	2018 DKK '000
Investments in group enterprises		4,971,681	4,975,677
Other investments		58	58
Investments	6	<u>4,971,739</u>	<u>4,975,735</u>
Non-current assets		<u>4,971,739</u>	<u>4,975,735</u>
Receivables from group enterprises		168,476	146,421
Current deferred tax assets	7	2,545	7,209
Tax receivables		657	590
Other receivables		358	269
Receivables		<u>172,036</u>	<u>154,489</u>
Cash and cash equivalents		48,152	6,881
Current assets		<u>220,188</u>	<u>161,370</u>
Assets		<u><u>5,191,927</u></u>	<u><u>5,137,105</u></u>

Balance sheet 31 December

Liabilities and equity

	Note	2019 DKK '000	2018 DKK '000
Contributed capital	8	33,001	33,000
Retained earnings		5,158,588	1,647,044
Equity		<u>5,191,589</u>	<u>1,680,044</u>
Long-term payables to group enterprises		0	3,456,082
Long-term liabilities other than provisions, gross		<u>0</u>	<u>3,456,082</u>
Trade payables		94	225
Short-term payables to group enterprises		53	263
Other payables		191	491
Short-term liabilities other than provisions, gross		<u>338</u>	<u>979</u>
Liabilities other than provisions, gross		<u>338</u>	<u>3,457,061</u>
Liabilities and equity, gross		<u>5,191,927</u>	<u>5,137,105</u>
Employee expenses	2		
Fees to auditors	3		
Contingent liabilities	9		
Related parties	10		
Subsequent event	11		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2019	33,000	1,647,044	1,680,044
Capital injection	1	3,399,999	3,400,000
Currency translation	0	576	576
Profit for the year	0	110,969	110,969
Equity at 31 December 2019	<u>33,001</u>	<u>5,158,588</u>	<u>5,191,589</u>

Disclosures

1

Accounting policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C (mellemstor).

In accordance with the Danish Financial Statements Act section 86, paragraph 4, a separate cash flow statements has not been prepared. We refer to the Consolidated Financial Statements of Carlsberg Breweries A/S.

The accounting policies are unchanged from last year.

Foreign currency translation

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 recognized 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.

Finance 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.

Disclosures

2		<u>2019</u>	<u>2018</u>
	Employee expenses		
	Average number of employees	<u>2</u>	<u>2</u>

The Executive and Supervisory Board does not receive any remuneration.

3 Fees to statutory auditor

In accordance with the Danish Financial Statements Act section 96, paragraph 7, fees to statutory auditors is not disclosed as the information is disclosed in the Annual Report for the Carlsberg A/S Group, in which the Company is fully consolidated.

The Annual Report of Carlsberg A/S is available at

<https://www.carlsberggroup.com/media/35966/carlsberg-as-annual-report-2019.pdf>

4		<u>2019</u>	<u>2018</u>
	Other finance income	DKK '000	DKK '000
	Received dividend, Oyj Sinebrychoff AB	134,368	126,617
	Received dividend, Sinebrychoff Supply Company Oyj	29,860	44,698
	Received dividend, Brewery Invest	4,087	0
	Group contribution	22,480	22,448
	Interest income external	0	776
	Other finance income	<u>190,795</u>	<u>194,539</u>

5 Other finance expenses

		-70,749	-62,326
	Interest expense to Group companies		
	Interest expense to external	-9	-8
	Disposal of Group companies	-5,617	0
	Other finance expenses	<u>-76,375</u>	<u>-62,334</u>

6		<u>Subsidiaries</u>	<u>Other</u>	<u>Total</u>
	Investments in Group Companies	DKK '000	DKK '000	DKK '000
	Cost at 1 January 2019	4,975,677	58	4,975,735
				0
	Disposals	-5,617	0	-5,617
	Adjustments	1,621	0	1,621
	Cost at 31 December 2019	<u>4,971,681</u>	<u>58</u>	<u>4,971,739</u>

<u>Name</u>	<u>Country</u>	<u>Ownership</u>	<u>Equity</u>	<u>Profit (loss)</u>
			DKK '000	DKK '000
Sinebrychoff Oyj	Finland	100%	848,810	151,143
Sinebrychoff Supply Company Oyj	Finland	100%	241,853	22,822
Saku Ollethase AS	Estonia	100%	204,779	46,453
CB Distribution Co., Ltd.	Thailand	0.0002%	8,290	1,426

7

Deferred tax	2019 DKK '000	2018 DKK '000
Deferred tax at 1 January	7,209	5,465
Change in deferred tax during the year	-4,423	1,602
Adjustments to deferred tax for prior years	-241	142
Deferred tax at 31 December	2,545	7,209

Deferred tax mainly relates to temporary differences between the carrying amount and the tax base for assets and liabilities

8

Contributed capital

The contributed capital amounts to DKK 33,001,000 divided in 33,001 shares each of a nominal value of DKK 1,000. All shares rank equally.

9

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, interests 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.

10

Related parties

Related parties exercising control

Carlsberg Breweries A/S, J.C. Jacobsens Gade 1, 1799 København V. owns 100% of the shares in

Carlsberg Invest A/S

Carlsberg Invest A/S is consolidated in the Consolidated Financial Statements of Carlsberg Breweries A/S as the smallest group, and the Consolidated Financial Statements of Carlsberg A/S as the largest group.

Transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(?) of the Danish Financial Statements Act.

11

Subsequent event

In 2020, the COVID-19 pandemic significantly impacts our businesses with government intervention in some key markets, resulting full or partial lock-downs. The impact on our financial and operating performance cannot be reasonably estimated at this time as it depends on the horizon of the governmental interventions.