

Coca-Cola Nordic Services ApS


Philip Heymans Alle 17, 1., 2900 Hellerup

CVR no. 20 89 53 49

Annual report for the year ended 31 December 2018

Approved at the Company's annual general meeting on

Chairman:


.....
30.05.19

Coca-Cola Nordic Services ApS

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Coca-Cola Nordic Services ApS

COMPANY DETAILS

Incorporated on 1.4.1998

Coca-Cola Nordic Services ApS
Phillip Heymans Alle 17, 1.
2900 Hellerup

Tel: +45 39 45 47 00
Fax: +45 39 45 47 48

Board of directors

Tülay Kiyildi
Rossana Rocchini
Thomas Oth

Executive board

Tülay Kiyildi

Parent

Refreshment Product Services Inc. Atlanta, USA

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
2000 Frederiksberg

Tel: +45 70 10 80 50
Fax: +45 35 87 22 00

Bankers

Danske Bank

Citibank

Coca-Cola Nordic Services ApS

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, management has discussed and approved the annual report of Coca-Cola Nordic Services ApS for the financial year 1 January - 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

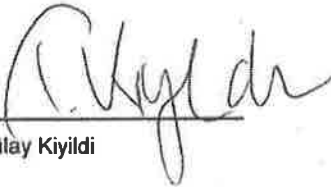
In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Managements' review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Date: 28 May 2019

Executive Board:




Tülay Kiyildi

Board of directors:



Tülay Kiyildi
Chairman

Rossana Rocchini
Director



Thomas Oth
Director

Coca-Cola Nordic Services ApS
Independent auditors' report
To the shareholders of Coca-Cola Nordic Services ApS

Opinion

We have audited the financial statements of Coca-Cola Nordic Services ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Coca-Cola Nordic Services ApS
Independent auditors' report
To the shareholders of Coca-Cola Nordic Services ApS
Auditor's responsibilities for the audit of the financial statements (continued)

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 conclusion is 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 note 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 the Management's review.

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

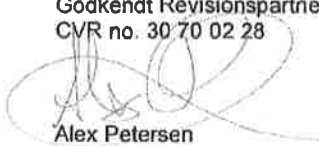
In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially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

Coca-Cola Nordic Services ApS
Independent auditors' report
To the shareholders of Coca-Cola Nordic Services ApS
Auditor's responsibilities for the audit of the financial statements (continued)

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 28 May 2019.
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Alex Petersen
State Authorised
Public Accountant
mne28604

Coca-Cola Nordic Services ApS

MANAGEMENT'S REVIEW

Business activities and mission

The company's main activities consist in providing services, including brand marketing advice to S.A. Coca Cola Services N.V. in the Nordic countries.

Business review

The company's income statement for the year ended 31 December 2018 shows a net profit of DKK 2,205,346, and the balance sheet at 31 December 2018 shows equity of DKK 46,848,790.

Knowledge resources

The company is staffed with highly trained specialists within the fields of relevance to the company's main activities.

Events after the balance sheet date

No events have occurred after the financial year end, which could significantly affect the company's financial position.

Outlook 2018

The company expects the results for the year ended 2018 to be on a par with those reported for the year 2017.

Coca-Cola Nordic Services ApS

INCOME STATEMENT for the year ended 31 December

	Note	2018 DKK	2017 DKK
Gross margin		33,622,331	33,052,438
Staff costs	2	(29,620,021)	(29,098,742)
Depreciation, amortisation and impairment losses	3	(1,080,667)	(1,246,414)
Profit before net financials		2,921,643	2,707,282
Financial income	4	496,557	583,449
Finance expenses		(552,272)	(256,298)
Financial result		(65,715)	327,151
Profit before tax		2,865,928	3,034,433
Tax for the year	5	660,582	684,476
Net profit for the year		2,205,346	2,349,957
Profit to be appropriated:			
Transfer to retained earnings		2,205,346	2,349,959

Coca-Cola Nordic Services ApS

BALANCE SHEET at 31 December

	Note	2018 DKK	2017 DKK
ASSETS			
<i>Property, plant and equipment</i>			
Assets under construction		421,251	55,122
Machinery and equipment		1,700,309	2,343,591
Leasehold improvements		95,353	532,738
Total property, plant and equipment	6	2,216,913	2,931,451
Deposits		754,350	754,350
Financial assets	7	754,350	754,350
Total fixed assets		2,971,263	3,685,801
<i>Current assets</i>			
Receivables from group enterprises		44,583,934	37,359,532
Deferred taxes asset		1,411,959	-
Other receivables		1,573,289	518,506
Prepayments		1,975,062	900,000
Income tax receivable		4,534,250	6,347,057
Receivables		54,078,494	45,125,095
Cash		11,613,130	18,049,742
Total current assets		65,691,624	63,174,837
TOTAL ASSETS		68,662,887	66,860,638
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	8	1,000,000	1,000,000
Retained earnings		45,848,790	43,643,444
Total equity		46,848,790	44,643,444
<i>Provisions</i>			
Provision for deferred tax		-	283,384
Total provisions		-	283,384
<i>Current liabilities</i>			
Current portion of long-term lease payments		49,808	49,808
Trade payables		2,949,210	1,363,261
Debt to group enterprises		2,450,680	7,333,746
Other payables		16,364,399	13,186,995
Short-term liabilities other than provisions		21,814,097	21,933,810
Total liabilities other than provisions		21,814,097	21,933,810
Total equity and liabilities		68,662,887	66,860,638
Contingent liabilities and other financial obligations	9		
Related parties	10		

Coca-Cola Nordic Services ApS

STATEMENT OF CHANGES IN EQUITY

(DKK)

	Share Capital	Retained earnings	Total
Equity at 1 January 2017	1,000,000	41,293,485	42,293,485
Transfer in the year	-	2,349,959	2,349,959
Equity at 1 January 2018	(1,000,000)	(43,643,444)	(44,643,444)
Transfer in the year		2,205,346	2,205,346
Equity at 31 December 2018	1,000,000	45,848,790	46,848,790

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of Coca-Cola Nordic Services ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

1.1 Reporting currency

The financial statements are presented in Danish kroner.

1.2 Currency retranslation

Transactions in foreign currency are translated into Danish kroner at the exchange rate at the date of the transaction.

Monetary items in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

1.3 Income statement

(a) Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from services is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

(b) Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of goods sold', 'Raw materials and consumable' and 'Other external expenses' are consolidated into one item designated 'Gross margin'.

(c) Other external expenses

Other external expenses include expenses related to advertising, administration, premises, bad debts, lease payments under operating leases, etc.

(d) Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contribution, etc for the Company's staff.

(e) Amortisation/depreciation and write-downs

The item includes depreciation and write downs of property, plant and equipment. Depreciation is provided using the straight line method on a fair value basis and the below assessments of the useful lives of the assets.

Property, plant and equipment are depreciated on a straight line basis, based on fair value, measured by reference to the following assessment of the useful lives:

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(e) Amortisation/depreciation and write-downs (continued)

	useful life
Machinery and equipment	3-10 years
Leasehold	8 years

Gains or losses on the sale of fixed assets are recognised in the income statement under 'Amortisation/depreciation'. The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

(f) Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, dividends declared, financial expenses related to finance leases, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance payment of tax scheme, etc.

(g) Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity. Current and deferred taxes related to items recognised directly in equity are taken directly to equity. All Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish enterprises in proportion to their taxable income (full allocation method). The Company acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the Company is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

1.4 Balance sheet

(a) Property, plant and equipment

Property, plant and equipment comprise leasehold improvements and machinery and equipment. Property, plant and equipment are measured at fair value.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

(b) Other securities and investments

Securities and investments are made up of deposits. These deposits are measured at nominal value.

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(c) Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial receivables. Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

(d) Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

(e) Cash and cash equivalents

Cash comprises bank balances.

Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group entities'.

(f) Income tax

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

(g) Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

2. Staff costs

	2018	2017
	DKK	DKK
Analysis of staff costs:		
Wages and salaries	25,797,200	25,005,329
Pensions	2,716,033	2,790,388
Other social security costs	78,353	41,718
Other staff costs	1,028,435	1,261,307
	<u>29,620,021</u>	<u>29,098,742</u>
Average number of employees	<u>20</u>	<u>19</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

3. Depreciation of property, plant and equipment

	2018	2017
	DKK	DKK
Leasehold improvements	437,385	437,385
Machinery and equipment	643,282	809,029
	<u>1,080,667</u>	<u>1,246,414</u>

4. Other financial income

	2018	2017
	DKK	DKK
Intercompany interests	70,980	81,413
Other interest receivable, exchange gains and similar income	425,577	502,036
	<u>496,557</u>	<u>583,449</u>

5. Tax for the year

	2018	2017
	DKK	DKK
Tax for the year		
Tax on taxable income for the year	2,358,641	-
Change in provision for deferred tax	(1,695,343)	699,193
Deferred tax prior year adjustment	-	(14,717)
Utilised losses	(2,716)	-
	<u>660,582</u>	<u>684,476</u>

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment

In DKK

Cost	Land and buildings	Machinery and equipment	Leasehold improvements	Total
Balance at 1 January 2018	55,122	7,665,272	3,461,942	11,182,336
Additions in the year	366,129	-	-	366,129
Cost at 31 December 2018	421,251	7,665,272	3,461,942	11,548,465
Depreciation and write downs				
Balance at 1 January 2018	-	5,321,691	2,929,204	8,250,885
Depreciation in the year	-	643,263	437,384	1,080,667
Depreciation and write-downs at 31 December 2018	-	5,964,964	3,366,588	9,331,552
Carrying amount at 31 December 2018	421,251	1,700,308	95,354	2,216,913

7. Financial assets

	Deposits
In DKK	
Cost at 1 January 2018	754,350
Additions	-
Disposals	-
Cost at 31 December 2018	754,350
Carrying amount at 31 December 2018	754,350

8. Share capital

During the last 5 years, the contributed capital has remained DKK 1.000.000.

Coca-Cola Nordic Services ApS

NOTES TO THE FINANCIAL STATEMENTS

9. Contingent liabilities and other financial obligations

9.1 Contingent liabilities

The company is jointly taxed with its sister company, Refreshment Products Denmark ApS (31427746) and innocent ApS (29601224). Coca-Cola Nordic Services ApS acts as a Danish tax management company and is severally with other jointly taxed group entities liable for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

9.2 Other financial obligations

	2018 DKK	2017 DKK
Rent payments concerning contract that is interminable until 30/04/2021	9,714,425	13,933,091
Payments under operating lease concerning cars and computer equipment	699,282	832,151

Rent liabilities include rent obligations totaling DKK 9,714,425 in interminable rent agreements until 1 May 2021.

Lease liabilities include lease obligations totaling DKK 205,648 in interminable lease agreements until 31 December 2019, and DKK 269,817 in interminable lease agreements until 31 December 2020, and DKK 223,817 in interminable lease agreements until 1st May 2021.

10. Related parties

The Company is a cost plus company, and costs are covered by Coca Cola Services S.A., Belgium. The Coca-Cola Company located at One Coca-Cola Plaza, Atlanta, USA, incorporated in Delaware, USA, is the ultimate parent company and holds as such a controlling interest of 100%.

The financial statements are available upon request from The Coca-Cola Company, Po Box 1734, Atlanta, Georgia 30301, United States of America.