

Red Bull Denmark ApS

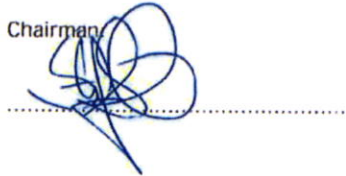
Sankt Petri Passage 5, 4., 1165 København K

CVR no. 32 88 64 69

Annual report 2017

Approved at the Company's annual general meeting on 9 February 2018

Chairman





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Red Bull Denmark ApS for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with 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 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 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.


Copenhagen, 9 February 2018
Executive Board:



Guido Raaphorst
Director



Stefan Ahlqvist



Rudolf Theierl



Independent auditor's report

To the shareholders of Red Bull Denmark ApS

Opinion

We have audited the financial statements of Red Bull Denmark ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

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 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 Group 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 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 as to 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 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. 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.

Independent auditor's report

- ▶ 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 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.

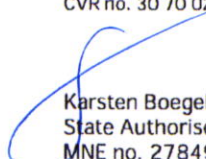
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 9 February 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Karsten Boegel
State Authorised Public Accountant
MNE no. 27849



Management's review

Company details

Name	Red Bull Denmark ApS
Address, Postal code, City	Sankt Petri Passage 5, 4., 1165 København K
CVR no.	32 88 64 69
Established	28 April 2010
Registered office	København
Financial year	1 January - 31 December
Website	www.redbull.dk
E-mail	info@dk.redbull.com
Telephone	+45 33 15 20 01

Executive Board	Guido Raaphorst, Director Stefan Ahlqvist Rudolf Theierl
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Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
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Financial highlights

DKKt	2017	2016	2015	2014	2013
Key figures					
Gross margin	39,260	37,601	35,303	33,171	28,035
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	12,054	11,212	11,669	12,640	9,846
Operating profit/loss	7,735	7,250	6,500	8,258	5,232
Net financials	-10	-6	-15	11	-41
Profit before tax	7,725	7,244	6,485	8,268	5,192
Profit/loss for the year	6,013	5,637	4,914	6,355	3,902
Fixed assets	7,227	7,835	7,077	8,719	12,023
Non-fixed assets	51,347	46,173	38,923	36,560	29,070
Total assets	58,574	54,008	46,000	45,279	41,093
Share capital	80	80	80,000	80,000	80,000
Equity	11,382	21,168	23,531	21,017	14,663
Provisions	948	1,105	704	938	1,507
Current liabilities other than provisions	46,245	31,734	21,765	23,324	24,924
Financial ratios					
Return on assets	13.7%	14.5%	14.2%	19.1%	12.0%
Current ratio	111.0%	145.5%	178.8%	156.7%	116.6%
Solvency ratio	19.4%	39.2%	51.2%	46.4%	35.7%
Return on equity	36.9%	25.2%	22.1%	35.6%	30.7%
Average number of employees	47	46	42	35	26

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company's objective is to import, distribute, sell and market Red Bull products on the Danish market.

Unusual matters having affected the financial statements

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Financial review

The income statement for 2017 shows a profit of DKK 6,013,134 against a profit of DKK 5,637,266 last year, and the balance sheet at 31 December 2017 shows equity of DKK 11,381,553.

Management considers the Company's financial performance for the year satisfactory.

Special risks

Finished goods and goods for resale are purchased from the parent company, Red Bull GmbH in Danish currency and then sold in same currency. The impact of the currency fluctuations is insignificant.

Impact on the external environment

The company is conscious of its environmental responsibility and is continuously focusing on reducing the environmental impact and consequences of the company's operations.

Research and development activities

During the year, the Company has not recognised any research and development activities and such costs are recognised in the parent company or in another associates in the Group.

Events after the balance sheet date

No significant events have occurred after the financial year-end.

Outlook

The Company's expects a profit for the coming year on the same level of 2017.

Cash generated from operations in 2018 is expected to be similar as a result of the expected profit.



Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	39,260,068	37,600,953
3	Staff costs	-27,207,418	-26,388,727
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,318,967	-3,961,871
	Other operating expenses	1,074	0
	Profit before net financials	7,734,757	7,250,355
	Financial income	46,375	10,848
4	Financial expenses	-56,297	-17,102
	Profit before tax	7,724,835	7,244,101
5	Tax for the year	-1,711,701	-1,606,835
	Profit for the year	6,013,134	5,637,266



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
6	Property, plant and equipment	6,354,116	6,687,383
	Other fixtures and fittings, tools and equipment	115,531	418,558
	Leasehold improvements	<u>6,469,647</u>	<u>7,105,941</u>
	Investments		
	Other receivables	<u>757,750</u>	<u>728,872</u>
		<u>757,750</u>	<u>728,872</u>
	Total fixed assets	<u>7,227,397</u>	<u>7,834,813</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	<u>15,027,081</u>	<u>8,430,144</u>
		<u>15,027,081</u>	<u>8,430,144</u>
	Receivables		
	Trade receivables	31,981,949	31,002,762
	Receivables from group entities	0	699,979
	Income taxes receivable	0	429,088
	Other receivables	0	166,994
	Deferred income	380,390	205,180
		<u>32,362,339</u>	<u>32,504,003</u>
	Cash	<u>3,957,452</u>	<u>5,238,805</u>
	Total non-fixed assets	<u>51,346,872</u>	<u>46,172,952</u>
	TOTAL ASSETS	<u>58,574,269</u>	<u>54,007,765</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	80,000	80,000
	Retained earnings	9,101,553	5,288,419
	Dividend proposed for the year	2,200,000	15,800,000
	Total equity	<u>11,381,553</u>	<u>21,168,419</u>
	Provisions		
8	Deferred tax	947,960	1,105,042
9	Total provisions	<u>947,960</u>	<u>1,105,042</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	11,210,625	5,082,548
	Payables to group entities	13,802,450	7,755,941
	Income taxes payable	592,517	0
	Other payables	20,639,164	18,777,815
	Deferred income	0	118,000
		<u>46,244,756</u>	<u>31,734,304</u>
	Total liabilities other than provisions	<u>46,244,756</u>	<u>31,734,304</u>
	TOTAL EQUITY AND LIABILITIES	<u>58,574,269</u>	<u>54,007,765</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2016	80,000	15,451,153	8,000,000	23,531,153
13 Transfer, see "Appropriation of profit"	0	-10,162,734	15,800,000	5,637,266
Dividend distributed	0	0	-8,000,000	-8,000,000
Equity at 1 January 2017	80,000	5,288,419	15,800,000	21,168,419
13 Transfer, see "Appropriation of profit"	0	3,813,134	2,200,000	6,013,134
Dividend distributed	0	0	-15,800,000	-15,800,000
Equity at 31 December 2017	80,000	9,101,553	2,200,000	11,381,553

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Red Bull Denmark ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities. The accounting policies applied by the company are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement of the higher-ranking parent company Red Bull GmbH.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the sale of goods held for sale and finished goods 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 and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross margin

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

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 depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments

Other receivables consist of rent deposits and are recognised as fixed assets under investments and measured at amortised cost, which usually corresponds to the nominal value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis, in which case the carrying amount is reduced to the net realisable value.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprises bank balances, which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

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 tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities, comprising trade payables and payables to group entities, are recognised as cost at the date of borrowing, corresponding to the proceeds received less transaction cost paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

2 Events after the balance sheet date

No significant events have occurred after the financial year-end.

DKK	2017	2016
3 Staff costs		
Wages/salaries	24,612,390	22,026,021
Other social security costs	1,295,584	1,227,293
Other staff costs	1,299,444	3,135,413
	<u>27,207,418</u>	<u>26,388,727</u>
Average number of full-time employees	<u>47</u>	<u>46</u>

Total remuneration to Management: DKK 3,173,291 (2016: DKK 3,007,299).

4 Financial expenses

Interest expenses, group entities	0	8
Exchange losses	12,328	6,841
Other financial expenses	43,969	10,253
	<u>56,297</u>	<u>17,102</u>

5 Tax for the year

Estimated tax charge for the year	1,869,783	1,205,402
Deferred tax adjustments in the year	-158,082	401,433
	<u>1,711,701</u>	<u>1,606,835</u>



Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	26,401,261	1,864,422	28,265,683
Additions in the year	3,672,944	0	3,672,944
Disposals in the year	-272,804	0	-272,804
Cost at 31 December 2017	<u>29,801,401</u>	<u>1,864,422</u>	<u>31,665,823</u>
Impairment losses and depreciation at 1 January 2017	19,713,878	1,445,864	21,159,742
Amortisation/depreciation and impairment of disposals in the year	3,945,628	303,027	4,248,655
Reversal of amortisation/depreciation and impairment of disposals	-212,221	0	-212,221
Impairment losses and depreciation at 31 December 2017	<u>23,447,285</u>	<u>1,748,891</u>	<u>25,196,176</u>
Carrying amount at 31 December 2017	<u>6,354,116</u>	<u>115,531</u>	<u>6,469,647</u>
Depreciated over		<u>3-5 years</u>	

DKK	2017	2016
7 Share capital		
Analysis of the share capital:		
80,000 shares of DKK 1.00 nominal value each	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 5 years.

8 Deferred tax

Deferred tax at 1 January	1,105,042	703,609
Leasehold improvement	-51,057	76,765
Operation equipment	-106,025	335,228
Acquired intangible assets	0	-10,560
Deferred tax at 31 December	<u>947,960</u>	<u>1,105,042</u>

9 Provisions

The provision for deferred tax primarily relates to timing differences in respect of Operation equipment and Leasehold improvement.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2017	2016
Rent and lease liabilities	<u>6,008,109</u>	<u>6,414,456</u>

Rent and lease liabilities include rent obligations totalling DKK 3,376 thousand relating to non-cancellable rent agreements with a remaining contract term of 3,5 years and liabilities under operating car leases totalling DKK 2,632 thousand with remaining contract terms of 1-4 years.

11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.

12 Related parties

Red Bull Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Red Bull GmbH	Austria	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Red Bull GmbH	Austria	The consolidated financial statements can be obtained from the parent company, Red Bull GmbH

Transactions with related parties

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

13 Appropriation of profit

Recommended appropriation of profit	2,200,000	15,800,000
Proposed dividend recognised under equity	3,813,134	-10,162,734
Retained earnings/accumulated loss	<u>6,013,134</u>	<u>5,637,266</u>