

Red Bull Denmark ApS

Sankt Petri Passage 5, 4., 1165 København K

CVR no. 32 88 64 69



Annual report 2016

Approved at the annual general meeting of shareholders on 15 February 2017

Chairman

EY

Building a better
working world



Contents

Statement by the Executive Board	2
Independent auditors' report	3
Management's review	5
Company details	5
Management commentary	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10



Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Red Bull Denmark ApS for the financial year 1 January - 31 December 2016.

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 Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 15 February 2017
Executive Board:

Guido Kerstand Raaphorst
Director

Stefan Ahlqvist

Rudolf Theierl

Independent auditors' 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 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 2016, and of the results of the Company operations for the financial year 1 January - 31 December 2016 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 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditors' report

- ▶ 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 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 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 our procedures, 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, 15 February 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Karsten Boegel
State Authorised Public Accountant



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

Management commentary

Business review

The Company's objective is to carry on import, distribution, sales and marketing of the Red Bull energy drink in the Danish market.

Financial review

The income statement for 2016 shows a profit of DKK 5,637,266 against a DKK 4,913,817 last year, and the balance sheet at 31 December 2016 shows equity of DKK 21,168,419.

Events after the balance sheet date

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



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	37,600,953	35,303,331
2	Staff costs	-26,388,727	-23,634,088
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,961,871	-5,168,914
	Profit before net financials	7,250,355	6,500,329
	Financial income	10,848	6,823
3	Financial expenses	-17,102	-21,670
	Profit before tax	7,244,101	6,485,482
4	Tax for the year	-1,606,835	-1,571,665
	Profit for the year	<u>5,637,266</u>	<u>4,913,817</u>
	Proposed profit appropriation		
	Proposed dividend recognised under equity	15,800,000	8,000,000
	Retained earnings/accumulated loss	<u>-10,162,734</u>	<u>-3,086,183</u>
		<u>5,637,266</u>	<u>4,913,817</u>



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
	Intangible assets		
	Acquired intangible assets	0	47,998
		<u>0</u>	<u>47,998</u>
	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	6,687,383	5,600,426
	Leasehold improvements	418,558	710,858
		<u>7,105,941</u>	<u>6,311,284</u>
	Investments		
	Other receivables	728,872	717,400
		<u>728,872</u>	<u>717,400</u>
	Total fixed assets	<u>7,834,813</u>	<u>7,076,682</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	8,430,144	7,286,077
		<u>8,430,144</u>	<u>7,286,077</u>
	Receivables		
	Trade receivables	31,002,762	25,604,941
	Receivables from group entities	699,979	257,237
	Income taxes receivable	429,088	0
	Other receivables	166,994	181,416
	Deferred income	205,180	224,764
		<u>32,504,003</u>	<u>26,268,358</u>
	Cash at bank and in hand	5,238,805	5,368,631
	Total non-fixed assets	<u>46,172,952</u>	<u>38,923,066</u>
	TOTAL ASSETS	<u>54,007,765</u>	<u>45,999,748</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	5,288,419	15,451,153
	Dividend proposed for the year	15,800,000	8,000,000
	Total equity	21,168,419	23,531,153
	Provisions		
	Deferred tax	1,105,042	703,609
	Total provisions	1,105,042	703,609
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	5,082,548	3,973,732
	Payables to group entities	7,755,941	3,824,002
	Income taxes payable	0	107,900
	Other payables	18,777,815	13,526,237
	Deferred income	118,000	333,115
		31,734,304	21,764,986
	Total liabilities other than provisions	31,734,304	21,764,986
	TOTAL EQUITY AND LIABILITIES	54,007,765	45,999,748

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral



Financial statements for the period 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
Profit/loss for the year	0	-10,162,734	15,800,000	5,637,266
Dividend distributed	0	0	-8,000,000	-8,000,000
Equity at 31 December 2016	80,000	5,288,419	15,800,000	21,168,419



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Red Bull Denmark ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

Due to amendments to the Danish Financial Statements Act, the Company's accounting policies have implemented minor adjustment in respects of the amendments compared to last year.

Apart from minor adjustments, the accounting policies are consistent with those of last year.

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.

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.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, 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.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years
New line	years

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.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

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.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 for the period 1 January - 31 December

Notes to the financial statements

DKK	2016	2015
2 Staff costs		
Wages/salaries	22,026,021	19,095,990
Other social security costs	1,227,293	1,062,474
Other staff costs	3,135,413	3,475,624
	<u>26,388,727</u>	<u>23,634,088</u>
Average number of full-time employees	<u>48</u>	<u>42</u>
3 Financial expenses		
Interest expenses, group entities	8	28
Exchange losses	6,841	7,549
Other financial expenses	10,253	14,093
	<u>17,102</u>	<u>21,670</u>
4 Tax for the year		
Estimated tax charge for the year	1,205,402	1,725,140
Deferred tax adjustments in the year	401,433	-234,276
Tax adjustments, prior years	0	80,801
	<u>1,606,835</u>	<u>1,571,665</u>
5 Contractual obligations and contingencies, etc.		
Other financial obligations		
Other rent and lease liabilities:		
DKK	2016	2015
Rent and lease liabilities	<u>6,414,456</u>	<u>9,066,482</u>

Rent and lease liabilities include rent obligations totalling DKK 4,564 thousand relating to non-cancellable rent agreements with a remaining contract term of 3,5 years and liabilities under operating car leases totalling DKK 1,850 thousand with remaining contract terms of 1-3 years.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2016.