ROYAL UNIBREW

Company Announcement No 67/2018 – 21 November 2018

Interim Report for 1 January - 30 September (9M) 2018

Consistent commercial execution and historically warm summer drive solid earnings growth

Due to a wide range of commercial initiatives and a historically warm summer in Northern Europe in 2018, Royal Unibrew posted solid financial results for the first three quarters of 2018. Net revenue increased by 10% adjusted for M&A activities and 16% in total, while the EBIT margin ended at 19.4% compared to 17.7% for the same period last year.

Throughout 2018, we have seen a strong commercial execution in our core markets supported by our broad product offering, a high level of innovation and commercial activities. Furthermore, we have expanded our offerings into new product categories to help our customers meet a more diversified consumer demand across sales channels. Key brand initiatives have been the introduction of new packaging formats for our Crodo products, Supermalt Ginger Beer in the UK and a Jaffa low-sugar range in Finland. Lastly, we have seen the launch of beers with non-/low-alcohol content with the products Royal Organic 2.3% and Heineken 0.0%.

The results for the first three quarters are in line with our guidance updated in August 2018. The acquisition of Bev.Con ApS (CULT) is expected to be closed during December 2018 following approval from the Danish competition authorities. CULT is not expected to change the full-year guidance.

Financial highlights Q1-Q3 2018

Net revenue for Q1-Q3 2018 amounted to DKK 5,624 million compared to DKK 4,869 million last year and was positively affected by solid organic growth and the impact from the acquired businesses Terme di Crodo and Etablissements Geyer Fréres (Lorina) as well as the extraordinarily good weather in Northern Europe. Acquisitions contributed revenue of DKK 288 million during the first nine months.

EBIT for Q1-Q3 2018 was DKK 1,092 million compared to DKK 862 million last year. The improvement was driven by increased revenue, improved mix and efficiency gains through operational leverage. It is estimated that the extraordinarily good weather during the summer of 2018 has contributed to an increase in EBIT of approx. DKK 70-90 million. The newly acquired businesses in France and Italy also contributed positively to EBIT. Profitability increased in all segments.

Market shares slightly improved compared to the same period last year, mainly driven by an increase in market shares during Q3 as our total supply chain proved its agility in a fast-moving and demanding market.

Free cash flow amounted to DKK 1,034 million for the first nine months compared to DKK 711 million last year.

Net interest-bearing debt amounted to DKK 2,397 million, which is an increase of DKK 1,335 million from last year. The increase is primarily related to the acquisitions.

Acquisitions

With the expected closing of the CULT acquisition in December 2018, four acquisitions will have been closed in less than 12 months.

Outlook

The full-year outlook is narrowed and slightly upgraded.

- Net revenue: DKK 7,200-7,300 million (August 2018: 7,000-7,200 million)
- EBITDA: DKK 1,660-1,685 million (August 2018: 1,625-1,675 million)
- EBIT: DKK 1,315-1,340 million (August 2018: 1,275-1,325 million)

SELECTED FINANCIAL HIGHLIGHTS AND KEY RATIOS

mDKK	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017
Sales (thousand hectolitres)	8,401	7,599	3,175	2,579
Net revenue	5,624	4,869	2,106	1,686
EBITDA	1,343	1,076	543	433
EBITDA margin (%)	*23.9*	*22.1*	*25.8*	*25.7*
Earnings before interest and tax (EBIT)	1,092	862	451	359
EBIT margin (%)	*19.4*	*17.7*	*21.4*	*21.3*
Profit before tax	1,080	853	444	355
Net profit for the period	852	668	351	278
Free cash flow	1,034	711	420	214
Net interest-bearing debt	2,397	1,062		
ROIC incl. goodwill*	21	20		
ROIC excl. goodwill*	34	30		
NIBD/EBITDA*	1.5	0.8		
Equity ratio (%)	34	46		

*(running 12 months)

For further information

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Thursday, 22 November 2018, at 9 am CET by audiocast at the following telephone numbers:

Participants from Denmark: +45 35 15 80 49
Participants from the UK: +44 (0) 330 336 9105
Participants from the USA: +1 929-477-0402

The presentation may also be followed at Royal Unibrew's website www.royalunibrew.com.

Financial Calendar 2019

6 March 2019	Annual Report 2018
25 April 2019	Interim Report for the period 1 January - 31 March 2019
25 April 2019	Annual General Meeting 2019
27 August 2019	Interim Report for the period 1 January - 30 June 2019
13 November 2019	Interim Report for the period 1 January - 30 September 2019

Forward-looking statements

This Interim Report contains forward-looking statements, including statements about the Group's sales, revenue, earnings, spending, margins, cash flows, inventories, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the following words or phrases "believe, anticipate, expect, estimate, intend, plan, project, will be, will continue, likely to result, could, may, might", or any variations of such words or other words with similar meanings. Any such statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause the Group's actual results, performance or industry results to differ materially from the results expressed or implied in such forward-looking statements. Royal Unibrew assumes no obligation to update or adjust any such forward-looking statements (except for as required under the disclosure requirements for listed companies) to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that may have direct bearing on the Group's actual results include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, development in the demand for the Group's products, introduction of and demand for new products, changes in the competitive environment and the industry in which the Group operates, changes in consumer preferences, increasing industry consolidation, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, determination of fair value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors.

New risk factors may emerge in the future, which the Group cannot predict. Furthermore, the Group cannot assess the impact of each factor on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

Contents

Profile

Royal Unibrew is a leading beverage provider in a number of markets – primarily in Northern Europe, Italy, France and in the international malt beverage markets.

We produce, market, sell and distribute quality beverages with focus on branded products within beer, malt beverages and soft drinks as well as cider and long drinks.

Our main markets are Denmark, Finland, Italy, France and Germany as well as Latvia, Lithuania and Estonia. To these should be added the international markets comprising a number of established markets in the Americas region and major cities in Europe and North America as well as emerging markets in for example Africa.

In all of our multi-beverage markets, we offer our customers strong and locally based brands. Based on continuous development and innovation, it is our objective to meet consumer demand for quality beverages.

In addition to our own brands, we offer licence-based international brands of the PepsiCo and Heineken Groups in Northern Europe.

Financial Highlights and Key Ratios

	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017	2017
Volumes (thousand hectolitres)	8,401	7,599	3,175	2,579	9,556
INCOME STATEMENT (MDKK)					
Net revenue	5,624	4,869	2,106	1,686	6,384
EBITDA	1,343	1,076	543	433	1,362
EBITDA margin (%)	*23.9*	*22.1*	*25.8*	*25.7*	*21.3*
Earnings before interest and tax (EBIT)	1,092	862	451	359	1,069
EBIT margin (%)	*19.4*	*17.7*	*21.4*	*21.3*	*16.7*
Income after tax from investments in associates	9	15	0	5	18
Other financial income and expenses, net	-21	-24	-7	-9	-31
Profit before tax	1,080	853	444	355	1,056
Net profit for the period	852	668	351	278	831
BALANCE SHEET (MDKK)					
Non-current assets	6,753	5,115			5,121
Total assets	8,161	6,130			6,778
Equity	2,776	2,800			2,814
Net interest-bearing debt	2,397	1,062			975
Net working capital	-895	-802			-957
Invested capital	5,588	4,103			4,030
CASH FLOWS (MDKK)					
Operating activities	1,193	845	493	247	1,168
Investing activities	-1,524	-133	-820	-32	-218
Free cash flow	1,034	711	420	214	950

	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017	2017
SHARE RATIOS (DKK PER SHARE OF DKK 2)					
Earnings per share (EPS)	16.9	12.8	7.0	5.3	16.0
Cash flow per share	23.6	16.2	8.3	4.8	17.8
Dividend per share					8.90
Period-end price per share	529.0	345.0			371.8
FINANCIAL RATIOS (%)					
Free cash flow as a percentage of net revenue	18	15	20	13	15
Cash conversion	121	106	120	77	114
ROIC incl. goodwill*	21	20			21
ROIC excl. goodwill*	34	30			32
Net interest-bearing debt/EBITDA*	1.5	0.8			0.7
Equity ratio	34	46			42

*running 12 months

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

Management's Review

Business Development
As expected, Royal Unibrew continued to see good momentum in the business with a solid development in both net revenue and earnings for the first nine months of 2018. Performance is explained by solid organic development, acquisitions carried out in the course of the past year as well as a historically warm summer, which contributed to increased consumption of beverage products in our Northern European markets. Our market shares have improved slightly for the first three quarters of 2018 as we estimate our shares to have improved in Q3.

From a strategic point of view, we are executing well on our business plans and commercial priorities. In addition to the three business entities we have acquired this year, we have invested in a number of sales and marketing initiatives to improve the broadness of our product portfolio as well as our commercial presence in the markets in which we operate. Through close customer dialogue in all channels, we wish to capture growth opportunities by continuously delivering innovative solutions and products. We see an attractive potential in realising growth opportunities from our new business additions in the non-alcohol segment with the Lorina, LemonSoda and potentially CULT brand. The new Nohrlund cocktail category will also add a new dimension to our on-trade platform in particular.

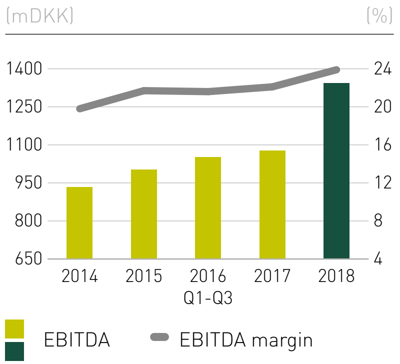
In most segments and across countries, we have invested more than last year in commercial initiatives to improve sales and brand tracking. The initiatives are built around consumer trends and on how we create more value for our customers by proposing solutions to meet consumer demands. A few good examples are our innovation efforts within craft/specialty beers where we recently invested in a new tap wall system allowing for a broader product portfolio at restaurants and bars, as well as the opening of our new brew pub Anarkist located in the heart of Odense next to the old Albani brewery. The innovation behind the beers at Anarkist has been created by Anders Kissmeyer, our famous Head of Craft Beer Creation, and his talented team.

Outside Denmark, we have also seen strong innovation with line extensions of soft drinks, ciders and beers, especially in the Baltic Sea region.

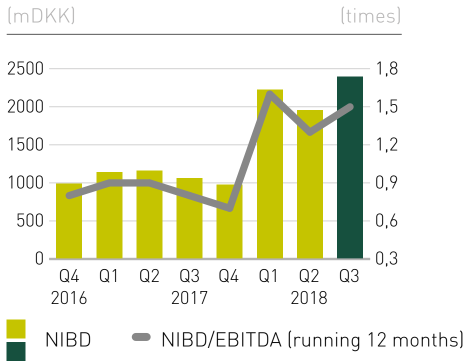
These initiatives are all solid examples of how we continue to develop our regional businesses through commercial initiatives and investments to the benefit of our consumers and customers.

Status on share buy-back programme
On 6 March 2018, Royal Unibrew launched a share buy-back programme expected to cover the period to 22 February 2019 with a view to adjusting the capital structure of Royal Unibrew A/S. The maximum market value of the share buy-back programme will be DKK 400 million, and the programme will be carried out in accordance with the "Safe Harbour" method. Under this programme as well as the programme launched in 2017, Royal Unibrew bought back 1,019,421 shares at a market value of DKK 435 million in Q1-Q3 2018 as expected. At the Annual General Meeting of Royal Unibrew in April 2018, a resolution was made to reduce the capital by DKK 3.4 million; subsequently, 1,700,000 shares were cancelled. At 30 September 2018, Royal Unibrew held 822,908 treasury shares, 92,500 of which are expected to be used for share-based payments to the Executive Board for the period 2017-2020, whereas the remaining shares are expected to be cancelled following Royal Unibrew's Annual General Meeting in April 2019.

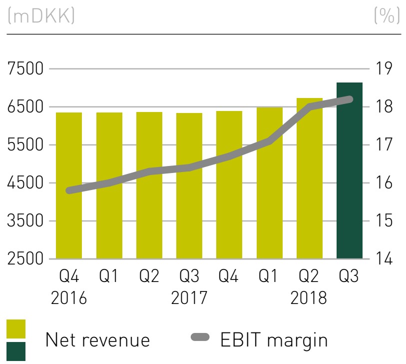
EBITDA AND EBITDA MARGIN



NIBD AND NIBD/EBITDA



REVENUE AND EBIT MARGIN RUNNING 12 MONTHS



Financial Review

Income Statement
Volumes for Q1-Q3 2018 aggregated 8.4 million hectolitres of beer, malt beverages and soft drinks, which is an 11% increase on 2017. The development from 2017 to 2018 was positively affected by solid organic growth, the acquisitions in 2018 and the extraordinarily good weather in Northern Europe, but negatively affected by a lower campaign activity in Finland in Q1. Volumes related to the acquisitions aggregated 0.5 million hectolitres.

Net revenue for Q1-Q3 2018 showed a 16% increase and amounted to DKK 5,624 million compared to DKK 4,869 million for Q1-Q3 2017 (Q3: a 25% increase to DKK 2,106 million compared to DKK 1,686 million for Q3 2017). The acquisitions resulted in a 6% net revenue increase for Q1-Q3 (Q3: 10%), whereas the main part of the remaining increase was due to solid organic growth, including from mix, and the extraordinarily good weather.

Gross profit for Q1-Q3 2018 was DKK 436 million above the Q1-Q3 2017 figure and amounted to DKK 2,991 million. The gross margin was 0.7 percentage point above the Q1-Q3 2017 margin and came to 53.2% compared to 52.5% for Q1-Q3 2017. Gross profit per volume unit was 6% higher than in 2017 and was positively affected by the changed product and market mix, while negatively impacted by acquisitions.

Sales and distribution expenses for Q1-Q3 2018 were DKK 163 million above the Q1-Q3 2017 figure and amounted to DKK 1,655 million compared to DKK 1,492 million for Q1-Q3 2017. As planned, both sales and marketing expenses for Q1-Q3 2018 were significantly higher than last year due to a number of growth initiatives and increased support of the established business in order to sustain "share of voice effect". DKK 27 million of the higher expenses related to the acquisitions.

Administrative expenses for Q1-Q3 2018 showed a DKK 43 million increase on Q1-Q3 2017, DKK 8 million of which related to the acquisitions, and amounted to DKK 244 million compared to DKK 201 million for Q1-Q3 2017. The organic development of DKK 35 million is due to employee incentives and costs related to the acquisitions.

EBITDA for Q1-Q3 2018 showed a DKK 267 million increase (some DKK 45 million of which related to the acquisitions) and amounted to DKK 1,343 million compared to DKK 1,076 million for Q1-Q3 2017. The higher organically driven earnings are primarily attributable to the Western Europe and Baltic Sea segments. The implementation of IFRS 16 (leases) increased EBITDA for Q1-Q3 by approx. DKK 40 million as, under IFRS 16, certain lease payments are no longer included in the income statement as operating expenses, but as interest on and repayments of lease obligations. Due to depreciation of leased assets, EBIT is only marginally affected by IFRS 16. EBIT for Q1-Q3 2018 amounted to DKK 1,092 million, which is DKK 230 million above the Q1-Q3 2017 figure. As in the case of EBITDA, the improvement is primarily attributable to the Western Europe and Baltic Sea segments.

The EBIT margin for Q1-Q3 2018 showed an increase of 1.7 percentage points to 19.4%. A better product mix and, not least, the extraordinarily good weather from May to mid-August were the primary reasons for the higher EBIT margin.

Net financials for Q1-Q3 2018 were DKK 3 million higher than in the same period of 2017 aggregating an expense of DKK 12 million. Financial expenses were DKK 3 million lower on a net basis, primarily due to exchange rate adjustments. The interest expenses for Q1-Q3, however, were higher, partly due to higher interest-bearing debt as

DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2018 BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	Baltic Sea	International*	Unallocated	Group 2018	Group 2017
Volumes (thousand hectolitres)	3,474	4,299	628	-	8,401	7,599
Growth (%)	17.7	4.7	16.3		10.6	-1.7
Share of sales (%)	42	51	7	-		
Net revenue (mDKK)	2,589	2,603	432	-	5,624	4,869
Growth (%)	19.2	11.7	18.3		15.5	-0.1
Share of net revenue (%)	46	46	8	-		
EBIT (mDKK)	526	493	98	-25	1,092	862
EBIT margin (%)	20.3	18.9	22.7		19.4	17.7

*the Malt Beverages and Exports segment has been renamed to International a result of the acquisitions and partly due to the implementation of IFRS 16, under which part of the lease payment is classified as interest on the lease obligation. Income after tax from investments in associates was DKK 6 million lower than in Q1-Q3 2017.

Profit before tax for Q1-Q3 2018 was DKK 227 million above the Q1-Q3 2017 figure and amounted to DKK 1,080 million compared to DKK 853 million for Q1-Q3 2017.

Tax on the profit for Q1-Q3 2018 was an expense of DKK 228 million. The tax has been calculated on the basis of an expected full-year tax rate of approx. 21% on the profit excluding income after tax from investments in associates.

The net profit for Q1-Q3 2018 amounted to DKK 852 million, which is DKK 184 million above the Q1-Q3 2017 figure.

Balance Sheet

Royal Unibrew's balance sheet at 30 September 2018 amounted to DKK 8,161 million, which is DKK 1,383 million above the 31 December 2017 figure. Approx. DKK 1,350 million of the increase is attributable to the acquisitions and the implementation of IFRS 16 (leases), whereas inventories and receivables increased by approx. DKK 125 million due to increased production and sales activities in Q3. The balance sheet total was, however, reduced due to amortisation and depreciation of non-current assets exceeding investments for Q1-Q3 by approx. DKK 50 million and due to a DKK 40 million cash reduction.

Invested capital increased by approx. DKK 1.5 billion in the period from 1 October 2017 to 30 September 2018, approx. DKK 1.3 billion of which was related to the acquisitions. ROIC excluding goodwill calculated on a running 12-month basis increased by 3.4 percentage points to 33.5% in the period, and ROIC including goodwill increased by 1.6 percentage points to 21.2% although EBIT relating to the acquisitions has not been recognised in the full 12-month period.

Compared to the end of 2017, the equity ratio has decreased by 8 percentage points in Q1-Q3 2018 representing 34% at 30 September 2018 (30 September 2017: 46%); 6 percentage points of the decrease relate to acquisitions. Consolidated equity at the end of September 2018 amounted to DKK 2,776 million compared to DKK 2,814 million at the end of 2017 and was increased in Q1-Q3 by the positive comprehensive income of DKK 858 million for the period (Q1-Q3 2017: DKK 666 million) and by the value of the share-based payments to the Executive Board and tax on these, whereas, as planned, it was reduced by dividend distribution of DKK 451 million and share buy-backs of DKK 435 million and by liabilities related to minority shareholders. The comprehensive income comprises the profit for the period of DKK 852 million plus exchange rate adjustments of foreign group enterprises of DKK 10 million and a negative development in the value after tax of hedging instruments of DKK 4 million.

Net interest-bearing debt for Q1-Q3 showed a DKK 1,422 million increase and amounted to DKK 2,397 million at 30 September 2018 compared to DKK 975 million at the end of 2017. The increase in net interest-bearing debt was as expected and comprised the positive free cash flow of DKK 1,034 million less distribution to shareholders of DKK 886 million by way of dividend and share buy-backs, the acquisition price of DKK 1,365 million paid for the acquired activities as well as the lease obligation at 1 January 2018 of DKK 205 million relating to leases due to the implementation of IFRS 16. The net interest-bearing debt to EBITDA ratio (running 12-month basis) was 1.5x. Net interest-bearing debt is expected to increase by approx. DKK 350 million due to the acquisition of CULT anticipated to be completed in Q4 2018.

Funds tied up in working capital showed a negative DKK 895 million at the end of September 2018 (30 September 2017: a negative DKK 802 million) compared to a negative DKK 957 million at the end of 2017. Funds tied up in working capital thus increased by DKK 62 million in Q1-Q3 2018 (2017: DKK 79 million). Funds tied up in inventories, trade receivables and trade payables showed an increase of DKK 115 million (2017: a decrease of DKK 15 million), whereas funds tied up in the other elements of working capital decreased by DKK 53 million (2017: an increase of DKK 94 million).

Cash Flow Statement

Cash flows from operating activities for Q1-Q3 2018 amounted to DKK 1,193 million (2017: DKK 845 million) comprising the profit for the period adjusted for non-cash operating items of DKK 1,349 million (2017: DKK 1,080 million), negative working capital cash flow of DKK 22 million (2017: DKK 87 million), net interest paid of DKK 20 million (2017: DKK 21 million) and taxes paid of DKK 114 million (2017: DKK 127 million). The development in working capital at the end of Q3 was positively affected by the good summer weather and by the resumption in Q2 of the high campaign activity in Finland. For the same reasons, Q4 will be negatively impacted.

Free cash flow for Q1-Q3 2018 was DKK 323 million above the Q1-Q3 2017 figure and amounted to DKK 1,034 million compared to DKK 711 million in 2017. Cash flows from operating activities and dividend from associates showed a DKK 343 million increase on Q1-Q3 2017, whereas net investments in property, plant and equipment showed a DKK 20 million increase, comprising DKK 26 million higher gross investments and, with the opposite effect, DKK 6 million higher revenues from asset divestments.

Outlook

The outlook announced in August 2018 for net revenue, EBITDA and EBIT (see Company Announcement No 52/2018 of 27 August 2018) is narrowed and slightly upgraded.

DKK mio.	Outlook 2018 (November 2018)	Previous outlook 2018 (August 2018)	Previous outlook 2018 (July 2018)	Previous outlook 2018 (June 2018)	Previous outlook 2018 (March 2018)	Actual 2017
Net revenue (mDKK)	7,200-7,300	7,000-7,200	6,900-7,100	6,800-7,000	6,650-6,900	6,384
EBITDA (mDKK)	1,660-1,685*	1,625-1,675*	1,560-1,635*	1,550-1,625*	1,450-1,550*	1,362
EBIT (mDKK)	1,315-1,340	1.275-1,325	1,200-1,275	1,190-1,265	1,090-1,190	1,069

*Implementation of IFRS 16 is expected to affect EBITDA positively by approx. DKK 50 million.

The outlook published in March 2018 for Royal Unibrew's financial development in 2018 was prepared taking into account a number of circumstances, including how Royal Unibrew's markets are expected to be affected by the general economic activity, fiscal changes and developments in consumption behaviour. Moreover, the outlook was prepared taking into account the development in material expense categories as well as the effect of initiatives completed and initiated. The key assumptions of the financial development in 2018 were described in the Annual Report for 2017.

The outlook for Royal Unibrew's financial development was adjusted upwards in June 2018 (see Company Announcement No 38/2018 of 21 June 2018) due to extraordinarily good weather in Northern Europe in May and June as well as faster than expected execution of the integration of Terme di Crodo. In July 2018, the outlook was marginally adjusted upwards again due to the acquisition of the French lemonade business Lorina (see Company Announcement No 44/2018 of 12 July 2018). Due to continued extraordinarily good weather in Q3 until mid-August, the outlook was further adjusted upwards in August (see Company Announcement No 52/2018 of 27 August 2018).

The medium-term target of an EBIT margin of about 17% is expected to be exceeded in 2018 due to the positive weather effect, which is not considered ordinary.

Developments in individual market segments

Western Europe

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	3,474	2,952	18	1,296	1,012	28	3,852
Net revenue, beverages (mDKK)	2,512	2,109	19	922	725	27	2,738
Net revenue (mDKK)	2,589	2,173	19	947	745	27	2,829
EBIT (mDKK)	526	449		218	182		563
EBIT margin (%)	20.3	20.7		23.0	24.4		15.4

- Solid organic growth in net revenue
- Acquisitions and extraordinarily good weather resulted in 19% net revenue increase for Q1-Q3
- Continued earnings improvement but slight decrease in EBIT margin to 20.3% due to mix effect
- Increased value market shares in Denmark and Germany
- Integration of acquisitions progressing according to plan

The **Western Europe** segment comprises the markets in Denmark, Germany, Italy and France. Terme di Crodo in Italy was included from Q1 2018, while Lorina was added to the segment from Q3 2018.

EBIT for Q1-Q3 2018 increased by DKK 77 million from DKK 449 million in 2017 to DKK 526 million in 2018. The EBIT margin decreased by 0.4 percentage point to 20.3%, primarily caused by a negative mix effect in Italy as consequence of the acquisition of Terme di Crodo.

DENMARK AND GERMANY

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	2,739	2,619	5	990	902	10	3,441
Net revenue, beverages (mDKK)	1,819	1,644	11	665	574	16	2,162
Net revenue (mDKK)	1,896	1,708	11	690	594	16	2,253

For **Denmark and Germany**, it is estimated that, adjusting for the weather effect, the underlying Danish consumption of branded beer and soft drinks remained unchanged in Q1-Q3 2018. Compared to 2017, the Q2 and Q3 consumption was positively affected by extraordinarily good weather this summer.

Volumes showed a 5% increase for Q1-Q3 2018, and net revenue showed an 11% increase (Q3: volume increase of 10% and net revenue increase of 16%). For Q1-Q3, Royal Unibrew is estimated to have increased its value market shares across categories, due to, among other factors, focus on value creation by following consumer trends into more specialised, organic and healthy products, and by developing existing customer sales further through partnership programmes.

Throughout the year, we have seen a high level of commercial activities carried out in Denmark both on the product side and on the event side. In the carbonated soft drinks (CSD) category, new flavour editions were successfully introduced among our top selling products with Pepsi Max Lime and Faxe Kondi Summer. On the event side, we saw an all-time high attendance and revenue at the Skanderborg festival, while our event partnership with Royal Arena in Copenhagen continues to develop strongly with a high level of attractive events held at the arena and more than one million guests visiting since the inauguration back in February 2017.

A strategic alliance was made with Nohrlund within 'Ready-to-Drink' cocktails focused on the on-trade segment. Royal Unibrew's sales forces commenced sales and distribution of the Norhlund portfolio in Q4.

For further financial information on the acquisition, reference is made to note 5.

SOUTHERN EUROPE

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	735	333	121	306	110	178	411
Net revenue (mDKK)	693	465	49	257	151	70	576

Southern Europe now comprises Italy, the Lorina business in France and the Terme di Crodo business in the Balkan countries.

The market environment in **Southern Europe** proved challenging in **Italy** with increased consumer cautiousness and poor weather impacting consumption of beverages negatively compared to last year. On the other hand, our new lemonade business in **France** was positively impacted by good weather. Royal Unibrew is estimated to have maintained its overall market share on beer, while value focus has reduced volume market share but maintained the value market share in Italy.

Royal Unibrew acquired the soft drinks business Terme di Crodo in January 2018 and the French lemonade business Lorina in July 2018, which is the key reason for Royal Unibrew's Q1-Q3 2018 volumes being 121% above the 2017 level and for the 49% net revenue increase. Organically (adjusted for the growth relating to the acquisition of Terme di Crodo and Lorina), volumes decreased by 3% from 2017, and net revenue showed a 3% decrease (Q3: volume decrease of 8% and net revenue decrease of 21%).

The selling price per volume unit is lower for soft drinks than for Royal Unibrew's existing product portfolio of super-premium beer products. This is the reason for average net selling price per volume unit being below that of last year.

Commercially, Terme di Crodo is developing as expected within the existing carbonated soft drinks (CSD) category, while we have also initiated new innovation initiatives taking place around new formats and tastes (e.g. tonic) to support future growth. The integration of Terme di Crodo is progressing, and focus in Q4 will be on integrating and optimising the supply and distribution of the Crodo products into the Royal Unibrew Group portfolio.

Also, the integration of Lorina is progressing according to plan.

For further financial information on the acquisitions, reference is made to note 5.

Baltic Sea

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	4,299	4,107*	5	1,649	1,397*	18	5,354*
Net revenue (mDKK)	2,603	2,331	12	990	823	20	3,076
EBIT (mDKK)	493	356		202	155		431
EBIT margin (%)	18.9	15.2		20.4	18.9		14.0

* Volumes relating to the licence business in Russia are included in reported volumes as of 2018. The previously reported volumes for 2017 have been adjusted by 263 thousand hectolitres for Q1-Q3, 84 thousand hectolitres for Q3 and 356 thousand hectolitres for all of 2017.

- Large increase in net revenue due to extraordinarily good weather
- Positive product mix changes
- High average selling price per volume unit due to focus on categories with higher value
- Earnings improvement – EBIT margin of 18.9%
- Focus on low-/no-calorie products and craft/specialty beers

The **Baltic Sea** segment comprises the markets in Finland and the Baltic countries (Lithuania, Latvia and Estonia) as well as a licence business in Russia.

EBIT for Q1-Q3 2018 increased by DKK 137 million from DKK 356 million in 2017 to DKK 493 million in 2018. The EBIT margin increased by 3.7 percentage points to 18.9%. The earnings development was positively affected by the higher net revenue, and the EBIT margin increased due to a shift in market mix and a better product mix throughout the segment.

FINLAND

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	2,490	2,375	5	961	797	21	3,094
Net revenue (mDKK)	2,038	1,793	14	782	635	23	2,380

The amended alcohol legislation in **Finland** with effect from 1 January 2018 has affected the business positively as retail businesses are now allowed to sell products that only Alko (the national alcoholic beverage retailing monopoly in Finland) was allowed to sell in the past. This change combined with tailwind from great summer weather had a very positive impact on the performance in Finland.

Volumes for Q1-Q3 2018 increased by 5% leading to a higher market share within branded products (adjusting for the extraordinary beer campaign). Net revenue showed a 14% increase, benefitting from a positive mix effect and significantly intensified marketing investments.

Priority is given to having a high level of innovation in order to be able to offer a strong product portfolio as demanded by customers and consumers. In 2018, focus has been on speciality beers and soft drinks products with lower or no sugar content. In addition, we have strengthened our product line within non-beer segments with new launches in the CSD category such as Jaffa Italia and Hartwall Limonadi Raspberry, while in the energy category, new products such as Mountain Dew Jump Start were successfully introduced to the market.

BALTIC COUNTRIES

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	1,809	1,732*	4	688	600*	15	2,260*
Net revenue (mDKK)	565	538	5	207	188	10	696

* Volumes relating to the licence business in Russia are included in reported volumes as of 2018. The previously reported volumes for 2017 have been adjusted by 263 thousand hectolitres for Q1-Q3, 84 thousand hectolitres for Q3 and 356 thousand hectolitres for all of 2017.

Beer consumption in the **Baltic market** declined in Q1-Q3 2018 as alcoholic beverage sales in both Latvia and Lithuania are still negatively affected by legislative changes such as increased duties and packaging restrictions. It is estimated that Royal Unibrew maintained its market share in the beer segment but gained market share in the non-alcohol segment.

Volumes showed a 4% increase for Q1-Q3 2018, and net revenue showed a 5% increase (Q3: volume increase of 15% and net revenue increase of 10%). The positive Q3 development originates from volume growth in the non-alcohol segment and from successful product innovation such as Kalnapilis Lite Radler, a refreshing drink for the summer without alcohol. Moreover, Vilkmerges and Lielvardes Cider were launched in cans, and the seasonal Hazelnut Ale was launched in the craft segment.

International

	Q1-Q3 2018	Q1-Q3 2017	% change	Q3 2018	Q3 2017	% change	2017
Volumes (thousand hectolitres)	628	540	16	230	170	35	706
Net revenue (mDKK)	432	365	18	169	118	44	479
EBIT (mDKK)	98	80		39	28		106
EBIT margin (%)	22.7	22.0		22.9	23.9		22.2

- High single-digit sales growth in malt and beer categories
- Net revenue supported by sales of products from new acquisitions
- Increased earnings and EBIT margin
- Focus on strengthening presence outside core markets

The **International** segment (renamed from **Malt Beverages and Exports**) comprises the export and licence business to international markets outside Denmark, Finland, Italy and the Baltic countries. Sales outside Italy, the Balkan countries and France from the newly acquired businesses Terme di Crodo and Lorina have been included in the segment.

Sales in the segment are characterised by large volumes being exported to distributors at a time, which means that inventory changes should be taken into account when comparing periods. It is estimated that distributors' sales to customers and consumers, excluding the Terme di Crodo and Lorina portfolios, increased by a high single-digit percentage in Q1-Q3 2018.

Volumes for Q1-Q3 2018 showed a 16% increase. The positive development is partly due to Terme di Crodo exporting LemonSoda to the Central European markets of the segment as well as to sales of products from the French Lorina portfolio also contributing to increased revenue. Crodo products sales outside Italy and the Balkan countries delivered as expected, and in Q3 we started to supply new markets. Net revenue showed an 18% increase with revenue from the new acquisitions accounting for 6 percentage points (Q3: 13 percentage points).

Exchange rate developments affected net revenue negatively by DKK 13 million in Q1-Q3 2018. With increased exports to the USA through the Lorina business, the segment exposure to exchange rate developments has increased.

EBIT for Q1-Q3 2018 amounted to DKK 98 million, which is DKK 18 million above the 2017 figure.

Commercially, we are currently investing in increasing our commercial presence outside our core markets to strengthen our commercial setup in new markets. We also continue to invest in innovation and product development to support future growth. New packing formats and products such as our new Supermalt Ginger Beer are both examples of our efforts to improve our commercial profile.

Management's Statement

The Executive Board and the Board of Directors have presented the Interim Report of Royal Unibrew A/S. The Interim Report has today been considered and adopted.

The Interim Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Group at 30 September 2018 as well as of the results of the Group operations and cash flows for the period 1 January – 30 September 2018.

In our opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.

Faxe, 21 November 2018

Executive Board

Johannes F.C.M. Savonije
President & CEO

Lars Jensen
CFO

Board of Directors

Walther Thygesen
Chairman

Jais Valeur
Deputy Chairman

Martin Alsø

Einar Esbensen Nielsen

Claus Kærgaard

Christian Sagild

Karsten Mattias Slotte

Hemming Van

Lars Vestergaard

Floris van Woerkom

Income Statement and Statement of Comprehensive Income

Income Statement

(DKK '000)	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017	2017
Net revenue	**5,623,759**	**4,868,883**	**2,105,705**	**1,686,102**	**6,384,386**
Production costs	-2,632,905	-2,313,584	-959,228	-773,436	-3,084,314
Gross profit	**2,990,854**	**2,555,299**	**1,146,477**	**912,666**	**3,300,072**
Sales and distribution expenses	-1,655,227	-1,492,264	-601,984	-492,973	-1,956,367
Administrative expenses	-243,793	-201,414	-93,418	-60,539	-275,104
EBIT	**1,091,834**	**861,621**	**451,075**	**359,154**	**1,068,601**
Income after tax from investments in associates	9,140	15,087	226	4,652	18,418
Financial income	1,196	776	-647	176	3,048
Financial expenses	-21,692	-24,078	-6,528	-8,679	-34,447
Profit before tax	**1,080,478**	**853,406**	**444,126**	**355,303**	**1,055,620**
Tax on the profit for the period	-228,180	-185,378	-93,400	-77,320	-224,961
Net profit for the period	**852,298**	**668,028**	**350,726**	**277,983**	**830,659**
Earnings per share (DKK)	16.9	12.8	7.0	5.3	16.0
Diluted earnings per share (DKK)	16.8	12.8	6.9	5.4	16.0

Statement of Comprehensive Income

(DKK '000)	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017	2017
Net profit for the period	852,298	668,028	350,726	277,983	830,659
Other comprehensive income					
Items that may be reclassified to the income statement:					
Value and exchange adjustments of foreign group enterprises	9,849	-1,241	2,949	4,075	-5,232
Value adjustment of hedging instruments, beginning of year	1,416	7,113	5,449	7,097	7,113
Value adjustment of hedging instruments, end of year	-6,168	-7,599	-6,168	-7,599	-1,416
Tax on other comprehensive income	944	-778	94	-93	-1,560
Total	**6,041**	**-2,505**	**2,324**	**3,480**	**-1,095**
Items that may not be reclassified to the income statement:					
Actuarial loss on pension schemes					-104
Tax on actuarial loss on pension schemes					23
Total	**0**	**0**	**0**	**0**	**-81**
Total other comprehensive income	**6,041**	**-2,505**	**2,324**	**3,480**	**-1,176**
Total comprehensive income	**858,339**	**665,523**	**353,050**	**281,463**	**829,483**
Distributed as follows:					
Parent Company shareholders' share of comprehensive income	**858,486**	**665,523**	**353,197**	**281,463**	**829,483**
Minority shareholders' share of comprehensive income	-147	0	-147	0	0
	858,339	**665,523**	**353,050**	**281,463**	**829,483**

Balance Sheet

Assets

(DKK '000)	30/9 2018	30/9 2017	31/12 2017
NON-CURRENT ASSETS			
Goodwill	2,106,376	1,450,714	1,451,150
Trademarks	1,864,864	1,231,636	1,232,067
Distribution rights	162,248	173,076	170,092
Customer relations		12,134	8,757
Intangible assets	*4,133,488*	*2,867,560*	*2,862,066*
Property, plant and equipment	2,487,279	2,108,243	2,121,551
Investments in associates	120,246	129,980	127,911
Other fixed asset investments	12,381	9,583	9,618
Non-current assets	**6,753,394**	**5,115,366**	**5,121,146**
CURRENT ASSETS			
Inventories	490,207	366,561	335,338
Receivables	747,418	596,343	587,441
Corporation tax			16,164
Prepayments	30,689	40,753	33,693
Cash at bank and in hand	139,607	10,616	684,626
Current assets	**1,407,921**	**1,014,273**	**1,657,262**
Assets	**8,161,315**	**6,129,639**	**6,778,408**

Liabilities and Equity

(DKK '000)	30/9 2018	30/9 2017	31/12 2017
EQUITY			
Share capital	102,000	105,400	105,400
Other reserves	748,846	767,489	770,138
Retained earnings	1,915,734	1,927,045	1,469,583
Proposed dividend			469,030
Equity of Parent Company shareholders	**2,766,580**	**2,799,934**	**2,814,151**
Minority interests	9,905	0	0
Equity	**2,776,485**	**2,799,934**	**2,814,151**
Deferred tax	546,874	380,174	378,231
Mortgage debt	855,766	859,232	858,328
Credit institutions	622,455		381,179
Other payables	41,849	10,489	12,960
Non-current liabilities	**2,066,944**	**1,249,895**	**1,630,698**
Mortgage debt	3,734	3,626	3,720
Credit institutions	1,054,693	209,915	416,369
Provisions	16,396		20,846
Trade payables	1,226,175	961,358	1,025,688
Corporation tax	96,120	60,755	
Other payables	920,768	844,156	866,936
Current liabilities	**3,317,886**	**2,079,810**	**2,333,559**
Liabilities	**5,384,830**	**3,329,705**	**3,964,257**
Liabilities and equity	**8,161,315**	**6,129,639**	**6,778,408**

Cash Flow Statement

(DKK '000)	Note	Q1-Q3 2018	Q1-Q3 2017	2017
Net profit for the period		852,298	668,028	830,659
Adjustments for non-cash operating items	4	496,518	411,964	536,784
		1,348,816	**1,079,992**	**1,367,443**
Change in working capital:				
Receivables		-58,922	-87,017	-71,496
Inventories		-78,570	-30,410	863
Payables		115,806	30,873	146,616
Cash flows from operating activities before financial income and expenses		**1,327,130**	**993,438**	**1,443,426**
Financial income		1,196	776	3,048
Financial expenses		-21,665	-22,394	-31,832
Cash flows from ordinary activities		**1,306,661**	**971,820**	**1,414,642**
Corporation tax paid		-113,900	-127,018	-246,418
Cash flows from operating activities		**1,192,761**	**844,802**	**1,168,224**
Dividends received from associates		20,412	25,735	26,735
Sale of property, plant and equipment		16,706	10,283	8,554
Purchase of property, plant and equipment		-195,950	-169,959	-253,771
Free cash flow		*1,033,929*	*710,861*	*949,742*

(DKK '000)	Note	Q1-Q3 2018	Q1-Q3 2017	2017
Acquisition of subsidiaries		-1,343,056		
Purchase/sale of intangible assets and fixed asset investments		-21,867	491	456
Cash flows from investing activities		**-1,523,755**	**-133,450**	**-218,026**
Debt financing:				
Proceeds from increased drawdown on credit facilities		186,048		901,274
Repayment on credit facilities		484,077	74,523	-240,000
Shareholders:				
Dividends paid to shareholders		-450,874	-426,527	-426,527
Acquisition of shares for treasury		-435,386	-355,902	-507,589
Cash flows from financing activities		**-216,135**	**-707,906**	**-272,842**
Change in cash and cash equivalents		**-547,129**	**3,446**	**677,356**
Cash and cash equivalents at 1 January		684,626	6,917	6,917
Exchange adjustment		2,110	253	353
Cash and cash equivalents at 30 September		**139,607**	**10,616**	**684,626**

Statement of Changes in Equity

For 1 January - 30 September

DKK '000	Share capital	Share premium account	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Parent Company share of equity	Minority share	Total
Equity at 31 December 2017	**105,400**	**812,771**	**-41,217**	**-1,416**	**770,138**	**1,469,583**	**469,030**	**2,814,151**	**0**	**2,814,151**
Changes in equity in 2018										
Net profit for the year					**0**	852,445		852,445	-147	**852,298**
Other comprehensive income			9,678	-4,752	**4,926**	171		5,097		**5,097**
Tax on other comprehensive income					**0**	944		944		**944**
Total comprehensive income	**0**	**0**	**9,678**	**-4,752**	**4,926**	**853,560**	**0**	**858,486**	**-147**	**858,339**
Minority shareholders' share of acquired businesses					**0**			0	10,052	**10,052**
Liability upon acquisition					**0**	-29,000		-29,000		**-29,000**
Dividends paid to shareholders					**0**		-450,874	-450,874		**-450,874**
Dividend on treasury shares					**0**	18,156	-18,156	0		**0**
Acquisition of shares for treasury					**0**	-435,386		-435,386		**-435,386**
Capital reduction	-3,400	-26,218			**-26,218**	29,618		0		**0**
Share-based payments					**0**	6,031		6,031		**6,031**
Tax on changes in equity, shareholders					**0**	3,172		3,172		**3,172**
Total shareholders	**-3,400**	**-26,218**	**0**	**0**	**-26,218**	**-407,409**	**-469,030**	**-906,057**	**10,052**	**-896,005**
Total changes in equity 1/1-30/9 2018	**-3,400**	**-26,218**	**9,678**	**-4,752**	**-21,292**	**446,151**	**-469,030**	**-47,571**	**9,905**	**-37,666**
Equity at 30 September 2018	**102,000**	**786,553**	**-31,539**	**-6,168**	**748,846**	**1,915,734**	**0**	**2,766,580**	**9,905**	**2,776,485**

The share capital at 30 September 2018 amounts to DKK 102,000,000 and is distributed on shares of DKK 2 each.
A resolution was made at the Annual General Meeting of the Company on 24 April 2018 to reduce the share capital by DKK 3,400,000 through cancellation of treasury shares.

Statement of Changes in Equity

For 1 January – 30 September

DKK '000	Share capital	Share premium account	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Parent Company share of equity	Minority share	Total
Equity at 31 December 2016	**108,200**	**834,363**	**-36,442**	**-7,113**	**790,808**	**1,571,454**	**440,915**	**2,911,377**	**0**	**2,911,377**
Changes in equity in 2017								**0**		
Net profit for the year					**0**	668,028		668,028		**668,028**
Other comprehensive income			-1,241	-486	**-1,727**			-1,727		**-1,727**
Tax on other comprehensive income					**0**	-778		-778		**-778**
Total comprehensive income	**0**	**0**	**-1,241**	**-486**	**-1,727**	**667,250**	**0**	**665,523**	**0**	**665,523**
Dividends paid to shareholders					**0**		-426,527	-426,527		**-426,527**
Dividend on treasury shares					**0**	14,388	-14,388	0		**0**
Acquisition of shares for treasury					**0**	-355,902		-355,902		**-355,902**
Capital reduction	-2,800	-21,592			**-21,592**	24,392		0		**0**
Share-based payments					**0**	4,238		4,238		**4,238**
Tax on changes in equity, shareholders					**0**	1,225		1,225		**1,225**
Total shareholders	**-2,800**	**-21,592**	**0**	**0**	**-21,592**	**-311,659**	**-440,915**	**-776,966**	**0**	**-776,966**
Total changes in equity 1/1-30/9 2017	**-2,800**	**-21,592**	**-1,241**	**-486**	**-23,319**	**355,591**	**-440,915**	**-111,443**	**0**	**-111,443**
Equity at 30 September 2017	**105,400**	**812,771**	**-37,683**	**-7,599**	**767,489**	**1,927,045**	**0**	**2,799,934**	**0**	**2,799,934**

Notes

Note 1 Significant Accounting Policies; Accounting Estimates and Judgements

The Interim Report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

Significant accounting policies have changed as compared to the Annual Report for 2017 as IFRS 16 (Leases) has been implemented early at 1 January 2018, and IFRS 9 and IFRS 15 have taken effect and have been implemented. On the basis of Royal Unibrew's current activities, IFRS 9 and IFRS 15 are not assessed to have any impact on recognition and measurement. As disclosed in the Annual Report for 2017, IFRS 16 is assessed only to affect EBIT and profit before tax for 2018 marginally, whereas, on a full-year basis, EBITDA is expected to be positively affected by approx DKK 50 million. The net present value of operating leases has at 1 January 2018 increased property, plant and equipment as well as net interest-bearing debt (credit institutions) by DKK 205 million corresponding to approx 3% of the balance sheet total, and equity has been reduced by 2 percentage points to 40%.

Other than the above, the accounting policies are unchanged from those applied in the Annual Report for 2017, to which reference is made as it provides the total description of accounting policies significant to the Financial Statements.

Accounting Estimates and Judgements

The preparation of interim financial reporting requires that Management make accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group's accounting policies and the key uncertainties relating to the estimates are the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2017.

Note 2 Assets and Derivative Financial Instruments Measured at Fair Value

DKK '000	30/9 2018	30/9 2017	31/12 2017
Derivative financial instruments	-6,168	-7,599	-1,416

Derivative financial instruments are classified as level-2 instruments in the FRS fair value hierarchy. The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

The fair value of the total debt is assessed to correspond to carrying amount.

Notes

Note 3 Segment Reporting

The Group's results break down as follows on segments:

Q1-Q3 2018

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	2,589	2,603	432		**5,624**
Earnings before interest and tax (EBIT)	**526.4**	**492.8**	**97.9**	**-25.3**	**1,091.8**
Share of income from associates	9.1				**9.1**
Other financial income and expenses	-2.6	-8.3	-0.1	-9.4	**-20.4**
Profit/loss before tax for the period	**532.9**	**484.5**	**97.8**	**-34.7**	**1,080.5**
Tax on the profit/loss for the period				-228.2	**-228.2**
Net profit for the period					**852.3**
EBIT margin, %	**20.3**	**18.9**	**22.7**		**19.4**
Sales, beverages (thousand hectolitres)	3,474	4,299	628		**8,401**
Net revenue, beverages	2,512	2,603	432		**5,547**

Q1-Q3 2017

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	2,173	2,331	365		**4,869**
Earnings before interest and tax (EBIT)	**449.0**	**355.5**	**80.2**	**-23.1**	**861.6**
Share of income from associates	15.1				**15.1**
Other financial income and expenses	-0.2	-8.6	-0.1	-14.4	**-23.3**
Profit/loss before tax for the period	**463.9**	**346.9**	**80.1**	**-37.5**	**853.4**
Tax on the profit/loss for the period				-185.4	**-185.4**
Net profit for the period					**668.0**
EBIT margin, %	**20.7**	**15.3**	**22.0**		**17.7**
Sales, beverages (thousand hectolitres)	2,952	4,107	540		**7,599**
Net revenue, beverages	2,109	2,331	365		**4,805**

Notes

Note 3 Segment Reporting (continued)

The Group's results break down as follows on segments:

Q3 2018

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	947	990	169		**2,106**
Earnings before interest and tax (EBIT)	**218.0**	**202.1**	**38.7**	**-7.8**	**451.0**
Share of income from associates	0.2				**0.2**
Other financial income and expenses	-0.9	-3.6		-2.6	**-7.1**
Profit/loss before tax for the period	**217.3**	**198.5**	**38.7**	**-10.4**	**444.1**
Tax on the profit/loss for the period				-93.4	**-93.4**
Net profit for the period					**350.7**
EBIT margin, %	**23.0**	**20.4**	**22.9**		**21.4**
Sales, beverages (thousand hectolitres)	1,296	1,649	230		**3,175**
Net revenue, beverages	922	990	169		**2,081**

Q3 2017

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	745	823	118		**1,686**
Earnings before interest and tax (EBIT)	**181.5**	**155.3**	**28.1**	**-5.8**	**359.1**
Share of income from associates	4.7				**4.7**
Other financial income and expenses	-0.1	-5.3		-3.1	**-8.5**
Profit/loss before tax for the period	**186.1**	**150.0**	**28.1**	**-8.9**	**355.3**
Tax on the profit/loss for the period				-77.3	**-77.3**
Net profit for the period					**278.0**
EBIT margin, %	**24.4**	**18.9**	**23.8**		**21.3**
Sales, beverages (thousand hectolitres)	1,011	1,397	171		**2,579**
Net revenue, beverages	725	823	118		**1,666**

Notes

Note 3 Segment Reporting (continued)

2017

mDKK	Western Europe	Baltic Sea	Inter-national	Un-allocated	Total
Net revenue	2,829	3,076	479		**6,384**
Earnings before interest and tax (EBIT)	**563.4**	**430.6**	**106.4**	**-31.8**	**1,068.6**
Share of income from associates	18.4				**18.4**
Other financial income and expenses	-0.2	-13.2	-0.1	-17.9	**-31.4**
Profit/loss before tax for the period	**581.6**	**417.4**	**106.3**	**-49.7**	**1,055.6**
Tax on the profit/loss for the period				-224.9	**-224.9**
Net profit for the period					**830.7**
EBIT margin, %	**19.9**	**14.0**	**22.2**		**16.7**
Sales, beverages (thousand hectolitres)	3,852	4,998	706		**9,556**
Net revenue, beverages	2,738	3,076	479		**6,293**

Note 4 Cash Flow Statement

DKK '000	Q1-Q3 2018	Q1-Q3 2017	2017
Adjustments for non-cash operating items			
Financial income	-1,196	-776	-3,048
Financial expenses	21,692	24,078	34,447
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	258,720	221,701	296,665
Tax on the profit for the period	228,180	185,378	224,961
Income from investments in associates	-9,140	-15,087	-18,418
Profit and loss on sale of property, plant and equipment	-7,769	-7,568	-3,474
Share-based remuneration and payments	6,031	4,238	5,651
Total	**496,518**	**411,964**	**536,784**

Notes

Note 5 Acquisition of subsidiaries

Acquisition of Terme di Crodo S.r.l.
On 4 October 2017, Royal Unibrew entered into an agreement with Gruppo Campari to acquire the company Terme di Crodo S.r.l. The company was acquired on 2 January 2018.

Terme di Crodo owns brands such as LemonSoda, OranSoda, PelmoSoda, Crodo Lisiel and Crodo Chinotto as well as production facilities in Crodo in the north-western part of Italy close to Lago Maggiore. About 2/3 of the net revenue is generated by LemonSoda, whereas OranSoda is the second-strongest brand in the portfolio. The distribution of the products to the on-trade channel is made through distributors or cash&carry customers who are also customers of Royal Unibrew's distribution company Ceres S.p.A.; sales to the off-trade channel are made directly to customers. The distribution rate of LemonSoda in the on-trade channel is approx. 55%, whereas it is more than 95% in the off-trade channel.

The production facilities in Crodo are modern and hold capacity for producing cans, glass and PET bottles; most recently, a new canning line was installed in 2016.

The company has approx 70 employees related to production and internal logistics, whereas external logistics and commercial activities are undertaken by Royal Unibrew's Italian distribution company Ceres S.p.A., or in cooperation with external partners.

The acquisition is part of Royal Unibrew's strategy to be a focused and strong regional beverage provider holding market-leading positions within beer, malt beverages and soft drinks in the Nordic and Baltic countries, supplemented by strong niche positions in e.g. the Italian super-premium market and the international malt beverage markets.

Royal Unibrew expects the acquisition to increase revenue in Italy significantly, corresponding to a net revenue of DKK 245 million, whereas volumes will more than double. The acquisition is moreover expected to reinforce the existing commercial platform in all sales channels, and as the route-to-market is the same as for Royal Unibrew's existing beer business in Italy, operational synergies are expected to be reaped for the benefit of existing product portfolios as well as that acquired.

The acquisition price of DKK 607 million, which has been paid in cash, is based on an enterprise value of DKK 598 million. The valuation of Terme di Crodo has been based on the multiples applicable to leading, national beverage positions.

The acquisition is expected to generate value for Royal Unibrew's shareholders by reinforcing the total Italian business, and by leveraging optimisation potential across the Group's operations. On that basis, the acquisition is expected to increase Royal Unibrew's profit and earnings per share already with effect from 2018.

Royal Unibrew A/S has incurred transaction costs relating to the acquisition of approx. DKK 10 million for legal, financial and commercial advisers in connection with the realisation of the transaction. The costs were recognised in the Annual Report for 2017.

The company is included in the Consolidated Financial Statements of Royal Unibrew as of the date of acquisition, 2 January 2018.

Royal Unibrew has made the following preliminary calculation of the fair value of the acquired net assets and of goodwill at the time of acquisition.

DKK '000	
Intangible assets	238,237
Other non-current assets	82,797
Current assets	34,612
Deferred tax	-59,304
Current liabilities	-6,519
Acquired net assets	**289,823**
Goodwill	307,719
Estimated fair value of the business	**597,542**
Acquired cash at bank and in hand	9,588
Cash consideration	**607,130**

No trade receivables were acquired. Goodwill relates to synergies and the potential for development of the acquired activities and is not deductible for tax purposes.

Note 5 Acquisition of subsidiaries (continued)

Acquisition of Nohrlund ApS
On 14 June 2018, Royal Unibrew entered into an agreement to acquire 50.5% of the share capital of Nohrlund ApS at a price of DKK 10 million.

The shares were acquired on 2 July 2018, and the company has been included in the Consolidated Financial Statements of Royal Unibrew as of that date.

The acquisition price agreed upon is based on an enterprise value of DKK 25 million (100%).

Nohrlund produces and sells ready-to-drink organic cocktails with focus on the on-trade segment.

Royal Unibrew A/S has incurred transaction costs relating to the acquisition of less than DKK 1 million for legal, financial and commercial advisers in connection with the realisation of the transaction. The costs were recognised in the Interm Report for 1 January – 30 June 2018.

Acquisition of Bev.Con ApS
On 21 June 2018, Royal Unibrew entered into an agreement to acquire the company Bev.Con ApS, which owns brands such as CULT Energy, SHAKER and MOKAÏ. The company is expected to be acquired in 2018.

The acquisition price agreed upon is based on an enterprise value of DKK 350 million and will be financed by bank borrowings.

CULT were the first to introduce energy drinks on the Danish market, and, through the acquisition, Royal Unibrew reinforces its market position in Denmark and broadens the range in RTD (Ready-to-Drink) and Cider categories and the market for energy drinks.

Royal Unibrew expects to be able to achieve increased distribution and activation of the CULT portfolio, and the acquisition is expected to increase Royal Unibrew's earnings per share (EPS) already in 2019.

The company has about 40 employees focusing on commercial activities; production and logistics have been contracted out to a third party.

Royal Unibrew A/S has incurred transaction costs relating to the acquisition of approx DKK 4 million for legal, financial and commercial advisers in connection with the realisation of the transaction. The costs were recognised in the Interim Report for 1 January – 30 June 2018.

The company will be included in the Consolidated Financial Statements of Royal Unibrew as of the date of acquisition in 2018.

Note 5 Acquisition of subsidiaries (continued)

Acquisition of Etablissements Geyer Fréres
On 12 July 2018, Royal Unibrew entered into an agreement to acquire the company Etablissements Geyer Fréres, which owns the brands LORINA, PureThé and InFreshhh. The company was acquired at 12 July 2018.

The acquisition price amounts to DKK 660 million and is financed by bank borrowings. The enterprise value amounts to DKK 729 million.

Etablissements Geyer Fréres is market-leading in the lemonade category within off-trade in France holding a market share of about 33%, whereas it has limited presence within on-trade and convenience. The company exports to about 40 countries on a minor scale, whereas exports to the USA represent a significant part of the business. Overall, exports represent about 40% of revenue, which in 2017 amounted to DKK 290 million. The company's earnings margins were on level with those of Royal Unibrew in 2017.

Etablissements Geyer Fréres has about 100 permanent employees and production facilities in Munster in the north-eastern part of France.

The acquisition will establish a niche platform in France as well as a unique platform for further growth in Royal Unibrew's export portfolio.

Royal Unibrew A/S has incurred transaction costs relating to the acquisition of approx. DKK 6 million for legal, financial and commercial advisers in connection with the realisation of the transaction. The costs were recognised in the Interim Report for 1 January – 30 June 2018.

The company has been included in the Consolidated Financial Statements of Royal Unibrew as of 12 July 2018.

Royal Unibrew has made the following preliminary calculation of the fair value of the acquired net assets and of goodwill at the time of acquisition.

DKK '000	
Intangible assets	348,000
Other non-current assets	126,259
Current assets	134,005
Deferred tax	-105,000
Current liabilities	-118,969
Acquired net assets	**384,295**
Goodwill	344,479
Estimated fair value of the business	**728,774**
Acquired cash at bank and in hand	-68,437
Cash consideration	**660,337**

Of the receivables acquired, trade receivables are expected to have a fair value of DKK 75 million after expected write-down of approx DKK 14 million in respect of receivables that were uncollectible at the time of acquisition. Goodwill relates to synergies and the potential for development of the acquired activities and is not deductible for tax purposes.

On a full year basis, the acquisition is expected to affect consolidated net revenue and earnings before interest and tax (EBIT) by approx DKK 300 million and approx DKK 50 million, respectively.

Financial Highlights and Key Ratios

Quarterly

	Q1 2018	Q1 2017	Q2 2018	Q2 2017	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Sales (thousand hectolitres)	2,127	2,151	3,099	2,869	3,175	2,579	8,401	7,599
Income Statement (mDKK)								
Net revenue	1,452	1,354	2,066	1,829	2,106	1,686	5,624	4,869
EBITDA	274	224	526	419	543	433	1,343	1,076
EBIT margin (%)	*18.9*	*16.5*	*25.5*	*22.9*	*25.8*	*25.7*	*23.9*	*22.1*
Earnings before interest and tax (EBIT)	194	151	447	351	451	359	1,092	862
EBIT margin (%)	*13.4*	*11.2*	*21.6*	*19.2*	*21.3*	*21.3*	*19.4*	*17.7*
Income after tax from investments in associates	-3	-2	12	12	0	5	9	15
Other financials, net	-10	-6	-4	-8	-7	-10	-21	-24
Profit before tax	181	143	455	355	444	355	1,080	853
Net profit for the period	142	110	359	280	351	278	852	668
Balance Sheet (mDKK)								
Non-current assets	5,909	5,138	5,920	5,148	6,753	5,115	6,753	5,115
Total assets	7,347	6,294	7,445	6,405	8,161	6,130	8,161	6,130
Equity	2,791	2,935	2,554	2,637	2,776	2,800	2,776	2,800
Net interest-bearing debt	2,224	1,142	1,956	1,158	2,397	1,062	2,397	1,062
Net working capital	-488	-690	-928	-949	-895	-802	-895	-802
Invested capital	5,324	4,316	4,814	4,041	5,588	4,103	5,588	4,103
Cash Flows (mDKK)								
From operating activities	-249	-24	949	622	493	247	1,193	845
From investing activities	-626	-29	-78	-72	-820	-32	-1,524	-133
Free cash flow	-278	-54	892	551	420	214	1,034	711
Financial ratios (%)								
Free cash flow as a percentage of net revenue	-19	-4	43	30	20	13	18	15
Cash conversion	-195	-48	248	197	120	77	121	106
Equity ratio	38	47	34	41	34	46	34	46

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

For 1 January – 30 September 2014-2018

	Q1-Q3 2018	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2014
Sales (thousand hectolitres)	8,401	7,599	7,593	6,991	7,088
Income Statement (mDKK)					
Net revenue	5,624	4,869	4,874	4,610	4,705
EBITDA	1,343	1,076	1,052	1,002	932
EBITDA margin (%)	*23.9*	*22.1*	*21.6*	*21.7*	*19.8*
Earnings before interest and tax (EBIT)	1,092	862	825	775	712
EBIT margin (%)	*19.4*	*17.7*	*16.9*	*16.8*	*15.1*
Income after tax from investments in associates	9	15	22	18	27
Other financials, net	-21	-24	-29	-37	-44
Profit before tax	1,080	853	818	756	695
Net profit for the period	852	668	641	588	539
Balance Sheet (mDKK)					
Non-current assets	6,753	5,115	5,216	5,505	5,652
Total assets	8,161	6,130	6,260	6,728	7,068
Equity	2,776	2,800	2,895	2,896	2,717
Net interest-bearing debt	2,397	1,062	1,053	1,323	1,606
Net working capital	-895	-802	-791	-742	-757
Invested capital	5,588	4,103	4,170	4,466	4,603
Cash Flows (mDKK)					
From operating activities	1,193	845	752	798	751
From investing activities	-1,524	-133	83	0	22
Free cash flow	1,034	711	835	793	772
Share Ratios (DKK per share of DKK 2)					
Earnings per share (EPS)	16.9	12.8	12.0	10.7	9.8
Cash flow per share	23.6	16.2	14.1	14.6	13.6
Period-end price per share	529.0	345.0	312.3	249.8	196.2
Financial ratios (%)					
Free cash flow as a percentage of net revenue	18	15	17	17	16
Cash conversion	121	106	130	135	143
Return on invested capital including goodwill (ROIC)*	21	20	18	15	13
Return on invested capital excluding goodwill (ROIC)*	34	30	26	22	19
Net interest-bearing debt/EBITDA*	1.5	0.8	0.8	1.1	1.4
Equity ratio	34	46	46	43	38

*running 12 month

Ratios comprised by the "Recommendations and Financial Ratios" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.