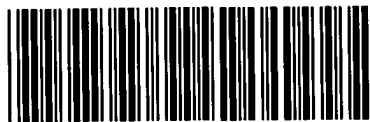


Monster Energy Europe Limited
Annual Report and Financial Statements
For the year ended 31 December 2022

Registered Number: 06394100

WEDNESDAY



ACCXNR68

A60

27/09/2023

#75

COMPANIES HOUSE

Monster Energy Europe Limited

Annual report and financial statements 31 December 2022

Contents

	Page
Strategic report	1
Directors' report	5
Directors' responsibilities statement	8
Independent auditor's report	9
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15

Monster Energy Europe Limited

Strategic Report

Review of the business and key performance indicators

The principal activity of Monster Energy Europe Limited ("MEEL"/"the Company") during the year has been the marketing of energy drinks across Europe, the Middle East and Africa ("EMEA").

Despite continued aftermath of COVID-19, military conflict in Ukraine & continuing cost of living crisis the business has achieved its goals in 2022 involving growth and investment in support of group activities and continuing with successful business in existing and new markets across EMEA. The directors anticipate the continuation of this model as the group continues to become established in many markets and expands into further new markets in the future. More information on Group (defined below) results can be found here: <https://investors.monsterbevcorp.com/financial-information/sec-filings>

In the opinion of the directors, the key performance indicator of the Company is to increase profits each year. In the year to 31 December 2022, the Company's profit before tax increased year on year to £18,094,818 in 2022 (£14,142,674 in 2021) due to complete removal of COVID-19 restrictions on mass gatherings and events; as well as due to the above-mentioned expansion and continued investment. Revenue is earned on a cost-plus basis, all costs are recharged to the parent company, Monster Energy Limited.

As at 31 December 2022, the Company had net assets of £97,227,582 (2021: £81,961,094) and cash at bank and in hand of £13,033,938 (2021: £23,060,829).

Going concern

The directors view the Company as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors.

The Company benefits from a Group intercompany service agreement being in place which the directors of Monster Energy Limited have no plans to terminate for a period of at least 12 months from the date of approving these financial statements. The Company continues to receive a high level of commitment to support the growth of the Energy brands across EMEA from its immediate parent Monster Energy Limited (incorporated in Ireland) and its parent Monster Energy Company, incorporated in the USA. Monster Energy Europe Limited are reliant on support from Monster Energy Company who the directors deem to have adequate liquidity and assets to support the Company for the 12 months from the approval of the financial statements and where necessary will make funds available to meet the Company's obligations as they fall due.

Principal risks and uncertainties & financial risk management

The Company is not directly exposed to price, competition and credit related risks as the principal activity during the year has been the provision of marketing services to a group company.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations, the Company uses long term financial support from its immediate parent company, which continues to provide a high level of commitment.

There is exposure to the financial risk of changes in foreign currency exchange rates on intercompany funding and transactions in foreign currency. This risk is covered at a group level where hedging is performed to mitigate this risk.

Continued uncertainty in the financial markets; including cost of living crisis; highly inflationary economies; increase in energy prices and fuel; labour shortages and the above-mentioned foreign currency exchange risk and other changes in general economic or political conditions (e.g. the effects of Brexit and war in Ukraine) in any of the major countries in which we do business could adversely affect our industry, business and results of operations. However, this should not have a significant effect on the Company as revenue is earned on a cost-plus basis, all costs are recharged to the parent company, Monster Energy Limited.

Monster Energy Europe Limited

Strategic Report (continued)

Russia-Ukraine Conflict

During the year ended December 31, 2022, the Russia-Ukraine conflict did not have a material impact on our financial position, results of operations and liquidity.

The conflict has had no impact on MEEL's operations or financial statements to date. We will continue to monitor future developments relative to this conflict and its potential impacts.

Monster Energy Europe Limited

Strategic Report (continued)

Section 172 statement

Engaging with stakeholders:

MEEL is part of a worldwide Group, our ultimate parent company is based in the US. MEEL and its branches have extensive engagements with other companies in the Group as well as other stakeholders. Our directors are committed to the Company maintaining the highest standards of business conduct and making decisions with a long-term perspective. It is of the utmost importance to operate with the highest ethical standards, in line with Group policies and practices. Our directors regularly report to the Group about the strategy, performance and key decisions taken. This provides them with assurance that proper consideration is given to all stakeholder interests. Where possible, decisions are carefully discussed with affected stakeholders and are therefore understood and supported when the decisions are taken.

The success of our business is dependent on the support of our stakeholders. Building positive relationships with stakeholders who share our values is important to us. Working together towards shared goals assists us in delivering long-term sustainable success.

Details of our key stakeholders and how we engage with them are set out below.

Colleagues:

Our people are key to our success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people, including employee surveys, monthly business updates, internal communications, monthly newsletters, and through our anonymous employee helplines.

Key areas of focus include: Diversity and inclusion, health and well-being, health and safety, development opportunities, training, pay and benefits. Regular reports about what is important to our colleagues are shared with the Group, ensuring consideration is given to their needs. Further examples on our Group policies can be found here:

<https://www.monsterbevcorp.com/hr-policy.php>

Suppliers:

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with our suppliers is primarily through ongoing interactions and formal reviews of goals and targets. We also host several events which bring our suppliers and the Group's customers together, to discuss shared goals and build relationships. Key areas of focus include innovation and marketing strategies. The Group recognises that relationships with suppliers are important to our long-term success, and it is briefed on supplier feedback and issues on a regular basis. More information on our Group supplier relationships and our suppliers code of conduct can be found here: <https://www.monsterbevcorp.com/sc-conduct.php>

Communities:

At MEEL and the Group itself, we are committed to improving sustainability, reducing the impact on the environment, and giving back to the community through various philanthropic efforts. We are investing substantial time and resources to positively impact people, society, and the planet. We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we support local causes and issues, create opportunities to recruit and develop local people, and help to look after the environment. We partner with various charities and organisations to generate awareness and raise funds. Issues and themes across local communities are reported back to the Group. Further details on our Communities efforts can be found here: <https://www.monsterbevcorp.com/sr-philanthropy.php>

Monster Energy Europe Limited

Strategic Report (continued)

Section 172 statement (continued)

Communities (continued)

At MEEL, and within our Group, we are committed to improving sustainability and working to reduce our impact on the environment through certain initiatives and conservation programmes. We are investing substantial time and resources towards creating an integrated approach focused on minimizing our environmental impact. Further information can be found here: https://www.monsterbevcorp.com/Monster_Sustainability_Report.pdf

Government and regulators:

At Group level we engage with the government and regulators through a range of industry consultations, forums, and meetings to communicate our views to policy makers relevant to our business.

MEEL's key areas of focus include compliance with laws and regulations and health and safety across all branches. The Group is updated on legal and regulatory developments and takes these into account when considering future actions. Further information on the ways in which the Group engages with stakeholders is set out in the Group Governance Report which can be found here: <https://investors.monsterbevcorp.com/corporate-governance>

Disabled employees:

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

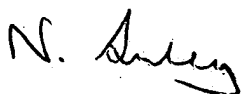
Employee Consultation:

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company website and annual financial statements. All employees receive discretionary bonuses based on personal and Company performance.

Future developments:

The directors expect the general level of activity to increase compared with 2022 in the forthcoming year. The business has achieved its goals in 2022 involving continuous expansion and investment. This should continue into 2023 as the Company enters new markets and expands, with its marketing activities expected to marginally increase in 2023 as the company navigates all risks discussed previously.

Approved by the Board and signed on its behalf by:



Neil Shirley

Director

Date: 18th Sept 2023

Registered Address in England, United Kingdom:

Monster House; 7 Cowley Business Park, High Street, Cowley,

Uxbridge, England, UB8 2AD

Monster Energy Europe Limited

Directors' Report

The directors present their annual report on the affairs of Monster Energy Europe Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2022 and up to the date of signing the financial statements.

Disclosures required by s416 (4) elevated to the strategic report are:

- Financial risk management objectives and policies
- Future developments
- Employee consultation
- Disabled employees

Engagement with suppliers, customers and others has been addressed within the section 172 statement.

Going concern is discussed within the strategic report.

Existence of branches outside the UK

The Company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

Monster Energy [Albania]

Monster Energy Europe Limited [Belgium]

Monster Energy Europe Limited Branch [Bulgaria]

Monster Energy Europe Limited – Podružnica Zagreb [Croatia]

Monster Energy Europe Limited [Cyprus]

Monster Energy Europe Limited organizační složka [Czech Republic]

Monster Energy [Denmark]

Monster Energy Europe Limited eesti filiaal [Estonia]

Monster Energy Europe Limited Suomen sivuliike [Finland]

Monster Energy Europe Limited Zweigniederlassung Deutschland [Germany]

Monster Energy Europe Limited [Greece]

Monster Energy Europe Limited Magyarizáció Fioktelepe [Hungary]

Monster Energy Europe Limited [Italy]

Monster Energy Europe Ltd Kenya [Kenya]

Monster Energy Europe Limited Latvijas filiāle [Latvia]

Monster Energy Europe Limited filialas [Lithuania]

Monster Energy UK Ltd [Netherlands]

Monster Energy Europe Limited SP. Z O.O. W Polsce [Poland]

Monster Energy Europe Ltd. Sucursal em [Portugal]

Monster Energy Europe Limited Uxbridge Sucursala Bucuresti [Romania]

Monster Energy Europe Limited organizačná zložka [Slovakia]

Monster Energy Europe Limited Podružnica v Ljubljani [Slovenia]

Monster Energy Europe Limited Sucursal en España [Spain]

Monster Energy Europe Limited UK Filial [Sweden]

Monster Energy Europe Ltd Uxbridge Zweigniederlassung Zurich [Switzerland]

Monster Energy Europe Limited

Directors' Report (continued)

Directors

The directors, who served throughout the year and to the date of this report, were as follows:

Guy Carling
Rodney Sacks
Hilton Schlosberg
Neil Shirley

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors do not intend to reappoint Deloitte LLP as auditors.

Dividends

No dividends were proposed in the year and post year end (2021: nil).

Energy and carbon reporting

We have reported on all sources of GHG emissions and energy usage as required under *The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008* as amended.

GHG emissions and energy usage

GHG emissions and energy usage data for period 1 January 2022 to 31 December 2022		
	UK and offshore	
	2022	2021
Emissions from combustion of gas (Scope 1 – tonnes of CO ₂ e)	79.15	89.46
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO ₂ e)	300.31	206.63
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	149.26	146.47
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing the fuel (Scope 3 - tonnes of CO ₂ e)	88.69	470.11
Total gross CO₂e based on above	617.41	912.67
Energy consumption used to calculate emissions - kWh	2,406,687.71	1,838,131.10
Intensity measurement-tonnes of CO ₂ e per square footage	0.006	0.008

Monster Energy Europe Limited

Directors' Report (continued)

Reporting boundary and methodology

The reporting boundary used for collation of the above data is based on operational and covers the period between 1 January 2022 to 31 December 2022.

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The boundary of the Scope 1 and 2 emissions estimate covers all activity occurring in 2022 within offices and warehouses under operational control of MEEL. Scope 1 and 2 emissions were calculated by obtaining facility activity data such as electricity and natural gas via paid utility bills and multiplying this activity by the appropriate DEFRA emission factors (UK Government's GHG Conversion Factors for Company Reporting 2022) for CO₂, NH₄ and N₂O.

Applicable emissions sources at our UK operations include:

Scope 1:

- Natural gas
- Diesel
- Petrol

Scope 2:

- Electricity

Natural gas and electricity were consumed by Company buildings, while diesel and petrol emission sources were consumed by the Company's vehicle fleet.

Energy efficiency actions taken

During the 2022 reporting year, the Company did not embark on energy efficiency projects as the office was closed for the first 9 months of the reporting year due to the pandemic. The Company would look towards implementing energy efficiency projects in future reporting years.

Events after the balance sheet date

There are no events after the balance sheet date to report on.

Approval of reduced disclosures

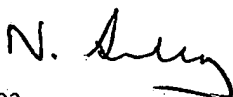
The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Monster Energy Limited, as the immediate parent of the entity, or by a shareholder's holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted shares in the entity not held by Monster Energy Limited as the immediate parent. They should be served by no later than 18th September 2023.

Approved by the Board and signed on its behalf by:

Neil Shirley
Director

Date: 18th Sept 2023



Monster House, 7 Cowley Business Park High Street, Cowley,
Uxbridge, England, UB8 2AD

Monster Energy Europe Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Monster Energy Europe Limited

Independent Auditor's Report to the Members of Monster Energy Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Monster Energy Europe Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the

Monster Energy Europe Limited

Independent Auditor's Report to the Members of Monster Energy Europe Limited (continued)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Cut-off of expenditure has been determined a significant risk due to carrying the greatest potential for fraud or error. Our audit procedures have been focused on expenses recognised around the year end, debit notes raised after the year end, and analytical procedures looking back at historical data.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the

Monster Energy Europe Limited

Independent Auditor's Report to the Members of Monster Energy Europe Limited (continued)

appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Adkins (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
Date: 25 September 2023

Monster Energy Europe Limited

Statement of Comprehensive Income For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	130,289,252	107,036,002
Cost of sales		-	-
Gross profit		130,289,252	107,036,002
Administrative expenses		(112,947,674)	(92,936,855)
Operating profit		17,341,578	14,099,147
Finance income	4	753,240	43,527
Profit before taxation	5	18,094,818	14,142,674
Tax on profit	9	(7,067,433)	(2,633,298)
Profit for the financial year and total comprehensive income attributable to the equity shareholders of the Company		<u>11,027,385</u>	<u>11,509,376</u>

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year.

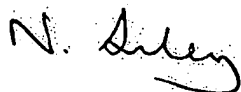
Monster Energy Europe Limited

Balance Sheet

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	16,377,012	13,228,124
Fixed asset investments	12	596,880	596,880
		<u>16,973,892</u>	<u>13,825,004</u>
Current assets			
Cash at bank and in hand		13,033,938	23,060,829
Debtors	13	98,989,783	60,251,186
Deferred tax asset	14	899,404	2,312,173
		<u>112,923,125</u>	<u>85,624,188</u>
Creditors: amounts falling due within one year	15	<u>(30,794,142)</u>	<u>(15,708,012)</u>
Net current assets		<u>82,128,983</u>	<u>69,916,176</u>
Total assets less current liabilities		<u>99,102,875</u>	<u>83,741,180</u>
Provisions for liabilities	16	<u>(1,875,293)</u>	<u>(1,780,086)</u>
Net assets		<u>97,227,582</u>	<u>81,961,094</u>
Capital and reserves			
Called up share capital	17	500,000	500,000
Profit and loss account		<u>96,727,582</u>	<u>81,461,094</u>
Shareholders' funds		<u>97,227,582</u>	<u>81,961,094</u>

The financial statements of Monster Energy Europe Limited (registered number: 06394100) were approved by the board of directors and authorised for issue on 18th September 2023. They were signed on its behalf by:



Neil Shirley

Director

Monster Energy Europe Limited

Statement of Changes in Equity

As at 31 December 2022

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2021	500,000	66,662,769	67,162,769
Profit for the year and total comprehensive income	-	11,509,376	11,509,376
Share-based payments (Note 10)	-	3,288,949	3,288,949
At 31 December 2021	500,000	81,461,094	81,961,094
At 1 January 2022	500,000	81,461,094	81,961,094
Profit for the year and total comprehensive income	-	11,027,385	11,027,385
Share-based payments (Note 10)	-	4,239,103	4,239,103
At 31 December 2022	500,000	96,727,582	97,227,582

Monster Energy Europe Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Monster Energy Europe Limited ('the Company') is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 4. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has applied the amendments to FRS 102 issued by the FRC in December 2017 with effect from 1 January 2019.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2016 because it is a wholly owned subsidiary of another company. Group financial statements which include the Company, for Monster Beverage Corporation are publicly available. These may be obtained at 1 Monster Way, Corona, California 92879, USA.

Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors view the Company as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors. The Company is reliant on a group intercompany service agreement being in place which the directors or the Monster Energy Group have no plans to terminate for a period of at least 12 months from the date of approving these financial statements. The Company continues to receive a high level of commitment to support the growth of the Energy brands across Europe and other territories from its immediate parent Monster Energy Limited (Incorporated in Ireland) and its parent Monster Energy Company, incorporated in the USA. Monster Energy Company is the controlling party of Monster Energy Europe Limited. The directors consider that the immediate parent company as well as Monster Energy Company who provide the support has adequate liquidity and assets to support the Company for the 12 months from the approval of the financial statements and where necessary will make funds available to meet the Company's obligations as they fall due.

b. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	lower of term of lease and useful life
Motor vehicles	4-5 years
Office and computer equipment	3-5 years
Coolers	3 years

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

b. *Tangible fixed assets (continued)*

Event equipment 3-5 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Assets under construction are accounted for at cost and are not depreciated until the accounting period in which they are brought into use.

c. *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Monster Energy Europe Limited

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

1. Accounting policies (continued)

c. *Financial instruments (continued)*

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) *Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) *Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

d. *Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f. Turnover

Turnover is stated net of VAT. Turnover from the supply of services represents recharges for marketing services performed across Europe and other territories for another group company and is recognised on an accruals basis.

g. Employee benefits

For defined contribution schemes the amount charged to the statement of comprehensive income in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

g. Employee benefits (continued)

contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

h. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

i. Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the statement of comprehensive income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

j. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

1. Accounting policies (continued)

k. *Share-based payment*

The Company grants to its employees rights to equity instruments of Monster Beverage Corporation, its ultimate parent company. The required disclosures are therefore included in Monster Beverage Corporation consolidated financial statements. The Company records compensation expense for employee stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes-Merton option pricing formula.

l. *Interest Revenue*

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies and that have significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty

There are no key sources of estimation uncertainty.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

3. Turnover and revenue

An analysis of the Company's turnover by class of business is set out below:

	2022 £	2021 £
Turnover:		
Rendering of services (Intercompany recharge)	130,289,252	107,036,002

All the Company's turnover is generated in Europe.

An analysis of the Company's revenue (including turnover) by category is as follows:

	2022 £	2021 £
Rendering of services (Intercompany recharge)	130,289,252	107,036,002
Interest income	1,425,912	334,438
	<u>131,715,164</u>	<u>107,370,440</u>

4. Finance costs (net)

	2022 £	2021 £
Interest payable and similar expenses	(672,672)	(290,911)
Interest receivable and similar income	1,425,912	334,438
	<u>753,240</u>	<u>43,527</u>
Interest payable and similar charges		
Interest payable on intercompany balances	(613,253)	(93,410)
Exchange loss on foreign currency	(59,419)	(197,501)
	<u>(672,672)</u>	<u>(290,911)</u>
Interest receivable and similar income		
Interest receivable on intercompany balances	1,425,912	334,438
	<u>1,425,912</u>	<u>334,438</u>

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

5. Profit before taxation

	2022 £	2021 £
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets (note 11)	5,187,596	5,485,385
Operating lease rentals	1,862,255	1,784,868
Foreign exchange loss	59,419	197,501
Share-based payments (note 10)	4,239,103	3,288,949
(Gain)/Loss on disposal of fixed assets	(27,704)	10,588

6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £65,000 (2021: £55,125).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are as follows:

	2022 £	2021 £
Non-audit fees:		
Taxation compliance services	15,656	14,626
Other advisory services	112,801	90,781
	<u>128,457</u>	<u>105,407</u>

7. Staff numbers and costs

	2022 No	2021 No
The average monthly number of employees (including executive directors) was:		
Marketing	403	307
Administrative staff	238	212
	<u>641</u>	<u>519</u>
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	35,467,165	29,520,482
Social security costs	5,973,134	4,696,302
Other pension costs (note 19)	1,357,932	1,159,097
Share-based payments (note 10)	4,239,103	3,288,949
	<u>47,037,334</u>	<u>38,664,830</u>

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

8. Directors' remuneration and transactions

	2022 £	2021 £
Directors' remuneration:		
Emoluments	1,193,750	1,212,213
Company contributions to money purchase pension schemes	33,773	35,100
	<u>1,227,523</u>	<u>1,247,313</u>
	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	2	2
Exercised options over shares in the parent company	2	2
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	2	2
	<u>£</u>	<u>£</u>
Remuneration of the highest paid director:		
Emoluments	943,300	953,213
Company contributions to defined benefit pension schemes	26,550	25,000

The highest paid director did exercise options in the year.

The highest paid director received new shares in the year.

9. Tax on profit

The tax charge comprises:

	2022 £	2021 £
Current tax on profit		
UK corporation tax at 19.00% (2021: 19.00%)	795,041	1,748,872
Double tax relief	(94,171)	(342,769)
Foreign tax	528,708	440,810
	<u>1,229,578</u>	<u>1,846,913</u>
Adjustments in respect of prior years		
UK corporation tax	4,461,875	315,634
Foreign tax	(36,789)	(69,950)
Total current tax	<u>5,654,664</u>	<u>2,092,597</u>
Deferred tax		
Origination and reversal of timing differences	1,412,769	540,701
Total deferred tax (note 14)	<u>1,412,769</u>	<u>540,701</u>
Total tax on profit	<u>7,067,433</u>	<u>2,633,298</u>

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

9. Tax on profit (continued)

The standard rate of current tax for the year, based on the United Kingdom standard rate of corporation tax is 19% (2021 - 19%).

The UK Finance Act 2021, which was substantively enacted on 24 May 2021, included provision to increase the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. The closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this rate was substantively enacted at the balance sheet date and is the rate at which those assets and liabilities are expected to unwind.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £	2021 £
Profit before tax	18,094,818	14,142,674
Tax on profit at standard UK corporation tax rate of 19.00% (2021: 19.00%)	3,438,015	2,687,108
Effects of:		
Expenses not deductible for tax purposes	(3,539)	200,057
Timing difference	450,060	(279,671)
Share base acquisition	(1,676,726)	(317,920)
Higher tax rates on overseas earnings	434,537	98,040
Adjustments to tax charge in respect of previous years	4,425,086	245,684
Total tax charge	7,067,433	2,633,298

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

10. Share-based payments

Equity settled share option plan

Certain employees of the Company have been granted Monster Beverage Corporation share options, restricted stock and restricted stock units under the Monster Beverage Corporation 2020 Omnibus Incentive Plan. This plan provided for a grant price equal to the quoted price of Monster Beverage Corporation shares at the date of grant. The vesting period is generally five years. These options are exercisable at such time and in such amounts as determined by the Compensation Committee of the Board of Directors of Monster Beverage Corporation up to a ten-year period after their date of grant. The 2020 Omnibus Incentive Plan replaced the Monster Beverage Corporation 2011 Omnibus Incentive Plan (the "2011 Omnibus Incentive Plan").

If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The Company recognised a total expense of £4,239,103 (2021: £3,288,949) related to equity-settled share-based payment transactions in the year.

Stock Options

Details of the Monster Beverage Corporation share options granted to Monster Energy Europe Limited employees during the year ended 31 December 2022 and 2021 are as follows:

	Options	2022 Weighted average exercise price US\$	Options	2021 Weighted average exercise price US\$
Outstanding at beginning of year	854,277	58.45	922,150	52.18
Transferred in during the year	1,250	88.94	1,500	62.39
Transferred out during the year			(60,200)	52.60
Granted during the year	315,000	73.23	132,000	89.16
Forfeited during the year	(30,151)	77.01	(34,975)	64.04
Exercised during the year	(205,150)	50.45	(106,198)	43.74
Outstanding at the end of the year	935,226	64.62	854,277	58.45
Exercisable at the end of the year	298,656	51.50	362,969	47.63

The weighted average exercise price has been expressed in US dollars, as that is the currency in which the options strike price has been granted.

The options outstanding at 31 December 2022 had a weighted average exercise price of \$64.62 (2021: \$58.45) and a weighted average remaining contractual life of 6.6 years (2021: 6.4 years). In the year 31 December 2022 options were granted on a number of dates. The aggregate of the estimated fair value of the options granted on those dates is \$7,256,291 (2021: \$3,384,229).

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

The inputs into the Black-Scholes-Merton Options Pricing Formula are as follows:

10. Share-based payments (continued)

	2022	2021
Weighted average share price (US \$)	23.04	25.64
Weighted average exercise price (US \$)	73.23	89.16
Expected volatility	27.47%	28.77%
Expected life (years)	6.03	5.74
Risk free rate	2.16%	0.85%
Expected dividend yield	0.00%	0.00%

Expected volatility was determined by calculating the historical volatility of Monster Beverage Corporation share price over a period of time equivalent to the expected life of option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

At 31 December 2022, total unrecognised compensation expense relating to non-vested options granted to employees was \$8.9 million, which is expected to be recognized over a weighted-average period 3 years.

Restricted Stock Units

Stock based compensation cost for restricted stock units is measured based on the closing fair market value of the parent company's common stock at the date of grant. In the event that the Company has the option and intent to settle a restricted stock unit in cash, the award is classified as a liability and revalued at each balance sheet date.

The following table summarizes the Company's activities with respect to non-vested restricted stock units as follows:

	Number of Shares	Weighted Average Grant – Date Fair Value US\$
Non-vested at 1 January 2022	58,683	63.62
Transferred in during the year	-	-
Transferred out during the year	-	-
Granted	27,700	72.45
Vested	(17,140)	59.59
Forfeited/cancelled	(1,155)	59.67
Non-vested at 31 December 2022	68,088	68.29

In the year ended 31 December 2022, 27,700 restricted stock units were granted. As of 31 December 2022, approximately 64,269 of restricted stock units are expected to vest.

At 31 December 2022, total unrecognised compensation expense relating to non-vested restricted stock units was \$2.6 million, which is expected to be recognized over a weighted-average period of 2 years.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

10. Share-based payments (continued)

Other Share-Based Awards

The Company has granted other share-based awards to certain employees that are payable in cash. These awards are classified as liabilities and are valued based on the fair value of the award at the grant date and are remeasured at each reporting date until settlement, with compensation expense being recognized in proportion to the completed requisite service period up until date of settlement. At 31 December 2022, other share-based awards outstanding included grants that vest over three years payable in the first quarters of 2023, 2024 and 2025.

At December 31, 2022, there was \$0.6 million of total unrecognized compensation expense related to nonvested other share-based awards granted to employees under the Company's stock-based compensation plans. That cost is expected to be recognized over a weighted-average period of 2.0 years.

Monster Energy Europe Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

11. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Office & computer equipment £	Coolers £	Event equipment £	Assets in the course of construction £	Total £
Cost							
At 1 January 2022	3,651,943	7,858,971	3,155,119	27,910,523	2,747,872	140,836	45,465,264
Additions	11,533	1,215,210	236,743	6,686,645	334,292	-	8,484,423
Disposals	-	(567,405)	(265,614)	(10,519,447)	(507,243)	-	(11,859,709)
Reclassifications	-	-	74,420	-	-	(74,420)	-
At 31 December 2022	3,663,476	8,506,776	3,200,668	24,077,721	2,574,921	66,416	42,089,978
Depreciation							
At 1 January 2022	1,468,934	5,977,293	2,022,194	20,601,104	2,167,615	-	32,237,140
Charge for the year	514,787	932,567	514,718	2,964,701	260,823	-	5,187,596
Disposals	-	(556,071)	(264,308)	(10,399,465)	(491,926)	-	(11,711,770)
Reclassifications	-	-	-	-	-	-	-
At 31 December 2022	1,983,721	6,353,789	2,272,604	13,166,340	1,936,512	-	25,712,966
Net book values							
At 31 December 2022	1,679,755	2,152,987	928,064	10,911,381	638,409	66,416	16,377,012
At 31 December 2021	2,183,009	1,881,678	1,132,925	7,309,419	580,257	140,836	13,228,124

Included within Coolers is £4,847,948 of assets not yet depreciating (2021: £2,987,121).

Monster Energy Europe Limited

Notes to the Financial Statements (continued) For the Year Ended 31 December 2022

12. Fixed asset investments

	2022 £	2021 £
Subsidiary undertakings	<u>596,880</u>	<u>596,880</u>

Investments

The Company has investments in the following subsidiary undertakings.

Subsidiary undertakings	Country of incorporation or principal business address	Principal activity	Type of shares held	%
Monster Energy France SAS	41 rue Camille Desmoulins, 92130 Issy les Moulineaux, France	Marketing of Monster Energy	Ordinary	100%
Monster Energy Ukraine LLC	01001, Ukraine, Kiev, Kreschatik str., 12	Marketing & distribution of Monster Energy	Ordinary	99%
Monster Energy Austria GmbH	Teinfaltstraße 8, 1010 Wien, Austria	Marketing of Monster Energy	Ordinary	100%
Monster Energy Russia LLC	125171, Russia, Moscow, Leningradskoye shosse, 16A, bld. 1	Marketing & distribution of Monster Energy	Ordinary	100%
Monster Energy Beverage Company of South Africa (Proprietary) Limited	Unit 3 Meadowbrook Business Estate, Jacaranda Avenue, Olivedale Ext 18, Randburg 2158, South Africa	Marketing & distribution of Monster Energy	Ordinary	100%
Energy Beverages Rus LLC	125171, Russia, Moscow, Leningradskoye shosse, 16A, bld. 1	Marketing & distribution of Monster Energy	Ordinary	100%
Monster Energy Southeast Asia	Level 02.02A Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Marketing & distribution of Monster Energy	Ordinary	100%

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

12. Fixed asset investments (continued)

All subsidiary undertakings are held directly by Monster Energy Europe Limited. Subsidiary undertakings have not been consolidated by Monster Energy Europe Limited as permitted by s.401 of the Companies Act 2006 as they are consolidated in the financial statements of Monster Beverage Corporation.

	2022 £	2021 £
Cost		
At 1 January and 31 December	<u>596,880</u>	<u>596,880</u>
Provisions for impairment		
At 1 January and 31 December	<u>-</u>	<u>-</u>
Carrying value	<u>596,880</u>	<u>596,880</u>

13. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
VAT	4,966,214	4,190,732
Other debtors	162,535	124,663
Prepayments and accrued income	1,835,356	736,675
Corporation tax	16,010	2,845
Amounts owed by group undertakings	<u>92,009,668</u>	<u>55,196,271</u>
	<u>98,989,783</u>	<u>60,251,186</u>

All intercompany balances are interest bearing, unsecured and repayable on demand.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

14. Deferred tax asset

	2022 £	2021 £
At 1 January	2,312,173	2,852,874
Charge to statement of comprehensive income	(1,412,769)	(540,701)
At 31 December	<u>899,404</u>	<u>2,312,173</u>
Analysis of deferred tax balance		
Depreciation in excess of capital allowances	(456,015)	1,446,471
Tax expense on outstanding share options	<u>1,355,419</u>	<u>865,702</u>
At 31 December	<u>899,404</u>	<u>2,312,173</u>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,385,719	3,582,020
Amounts owed to group undertakings	10,074,812	33,824
Corporation tax	941,781	612,184
Other taxation and social security	4,251,601	858,342
Other creditors	158,227	126,694
Accruals and deferred income	<u>10,982,002</u>	<u>10,494,948</u>
	<u>30,794,142</u>	<u>15,708,012</u>

All intercompany balances are interest bearing, unsecured and repayable on demand.

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

16. Provisions for liabilities

	2022 £	2021 £
At 1 January	1,780,086	1,498,360
Charged to statement of comprehensive income	95,207	281,726
At 31 December	<u>1,875,293</u>	<u>1,780,086</u>

Other

Other provisions relate to National Insurance Contributions (NIC) which will become payable on exercise of share options. The share options can be exercised between 1st January 2022 and 1st December 2026. The amount payable is dependent on the Parent Company's share price at the date of exercise of the options. The provision has been calculated based on the share price at the balance sheet date of £101.53 and the assumption that 100 per cent of employees will exercise the share options and that the rate of NIC is 13.8 per cent. There is uncertainty about timing, exchange rate as well as share price and rate of NIC when the share options are actually exercised.

17. Called-up share capital and reserves

	2022 £	2021 £
Allotted, called-up and fully-paid 500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2022 £	2021 £
Within one year	1,871,533	1,097,292
Between two and five years	3,904,950	3,958,559
Over five years	<u>1,544,561</u>	<u>2,387,049</u>
	<u>7,321,044</u>	<u>7,442,900</u>

Monster Energy Europe Limited

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2022

19. Employee benefits

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2022 was £1,357,932 (2021: £1,159,097).

The total amount payable as at 31 December 2022 was £158,226 (2021: £126,692).

20. Controlling party

In the opinion of the directors, the Company's ultimate controlling party and parent Company is Monster Beverage Corporation, a Company incorporated in the USA. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Monster Beverage Corporation, a Company incorporated in the USA and the registered address 1 Monster Way, Corona, California 92879, USA. The Company's immediate controlling party is Monster Energy Limited, a Company incorporated in the Republic of Ireland and the registered address South Bank House, Barrow Street, 6th Floor, Dublin, 4, Ireland, which is also the smallest group that the Company is consolidated into.

Link to Monster Beverage Corporation financial statements:

<https://investors.monsterbevcorp.com/financial-information/annual-reports>