



KOFOLA ČESKOSLOVENSKO A.S.
INTERIM REPORT 3M 2018





TABLE OF CONTENTS

A.	BOARD OF DIRECTORS REPORT.....	A-0
1.	KOFOLA AT A GLANCE.....	A-3
2.	KOFOLA GROUP.....	A-6
2.1.	Kofola ČeskoSlovensko.....	A-6
2.2.	Kofola Group.....	A-6
2.3.	Group structure.....	A-7
2.4.	Successes and Awards in 2018.....	A-9
3.	BUSINESS OVERVIEW.....	A-10
3.1.	Business overview.....	A-10
3.2.	Subsequent events.....	A-17
4.	CORPORATE GOVERNANCE.....	A-18
4.1.	Shares and shareholders.....	A-18
B.	INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	B-0
	CONSOLIDATED FINANCIAL STATEMENTS.....	B-1
1.1.	Consolidated statement of profit or loss.....	B-1
1.2.	Consolidated statement of other comprehensive income.....	B-2
1.3.	Consolidated statement of financial position.....	B-3
1.4.	Consolidated statement of cash flows.....	B-4
1.5.	Consolidated statement of changes in equity.....	B-5
2.	GENERAL INFORMATION.....	B-7
2.1.	Corporate information.....	B-7
2.2.	Group structure.....	B-8
3.	SIGNIFICANT ACCOUNTING POLICIES.....	B-9
3.1.	Statement of compliance and basis of preparation.....	B-9
3.2.	Functional and presentation currency.....	B-10
3.3.	Foreign currency translation.....	B-10
3.4.	Consolidation methods.....	B-11
3.5.	Accounting methods.....	B-11
3.6.	Significant estimates.....	B-11
3.7.	Restatements and correction of errors.....	B-11
3.8.	Approval of consolidated financial statements.....	B-11
4.	NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	B-12
4.1.	Segment information.....	B-12
4.2.	Expenses by nature.....	B-16
4.3.	Other operating income.....	B-16
4.4.	Other operating expenses.....	B-16
4.5.	Finance income.....	B-17
4.6.	Finance costs.....	B-17
4.7.	Income tax.....	B-17
4.8.	Earnings per share.....	B-18
4.9.	Property, plant and equipment.....	B-19
4.10.	Intangible assets.....	B-19
4.11.	Investment in associate.....	B-19
4.12.	Dividends.....	B-20
4.13.	Bonds.....	B-20
4.14.	Bank credits and loans.....	B-21
4.15.	Future commitments, contingent assets and liabilities.....	B-22
4.16.	Legal and arbitration proceedings.....	B-22
4.17.	Related party transactions.....	B-22
4.18.	Financial instruments.....	B-23
4.19.	Acquisition of subsidiary.....	B-24
4.20.	Subsequent events.....	B-24



C.	INTERIM SEPARATE FINANCIAL STATEMENTS.....	C-0
1.	SEPARATE FINANCIAL STATEMENTS	C-1
1.1.	Separate statement of profit or loss	C-1
1.2.	Separate statement of other comprehensive income	C-1
1.3.	Separate statement of financial position	C-2
1.4.	Separate statement of cash flows.....	C-3
1.5.	Separate statement of changes in equity	C-4
2.	GENERAL INFORMATION	C-5
2.1.	Corporate information	C-5
2.2.	Group structure	C-6
3.	SIGNIFICANT ACCOUNTING POLICIES	C-7
3.1.	Statement of compliance and basis of preparation	C-7
3.2.	Functional and presentation currency	C-7
3.3.	Foreign currency translation.....	C-8
3.4.	Accounting methods.....	C-8
3.5.	Significant estimates.....	C-8
3.6.	Approval of separate financial statements	C-8
4.	NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS	C-9
4.1.	Segment information	C-9
4.2.	Expenses by nature	C-9
4.3.	Other operating income.....	C-9
4.4.	Other operating expenses.....	C-9
4.5.	Finance income.....	C-10
4.6.	Finance costs.....	C-10
4.7.	Income tax	C-10
4.8.	Earnings per share	C-11
4.9.	Investment in subsidiaries	C-11
4.10.	Property, plant and equipment.....	C-12
4.11.	Intangible assets	C-12
4.12.	Bonds	C-12
4.13.	Bank credits and loans	C-13
4.14.	Future commitments, contingent assets and liabilities.....	C-13
4.15.	Financial instruments.....	C-13
4.16.	Related party transactions.....	C-14
4.17.	Acquisition of subsidiary	C-16
4.18.	Subsequent events	C-16

KOFOLA GROUP

a leading producer of branded non-alcoholic beverages in Central and Eastern Europe



CZK 1.4 BN 3M18
REVENUES



8
PRODUCTION PLANTS



2 076
EMPLOYEES



LISTED ON
PRAGUE STOCK EXCHANGE



- ❖ no. 2 player in the soft drinks market



- ❖ no. 1 player in the soft drinks market in Slovenia
- ❖ no. 1 water brand in both Retail & HoReCa



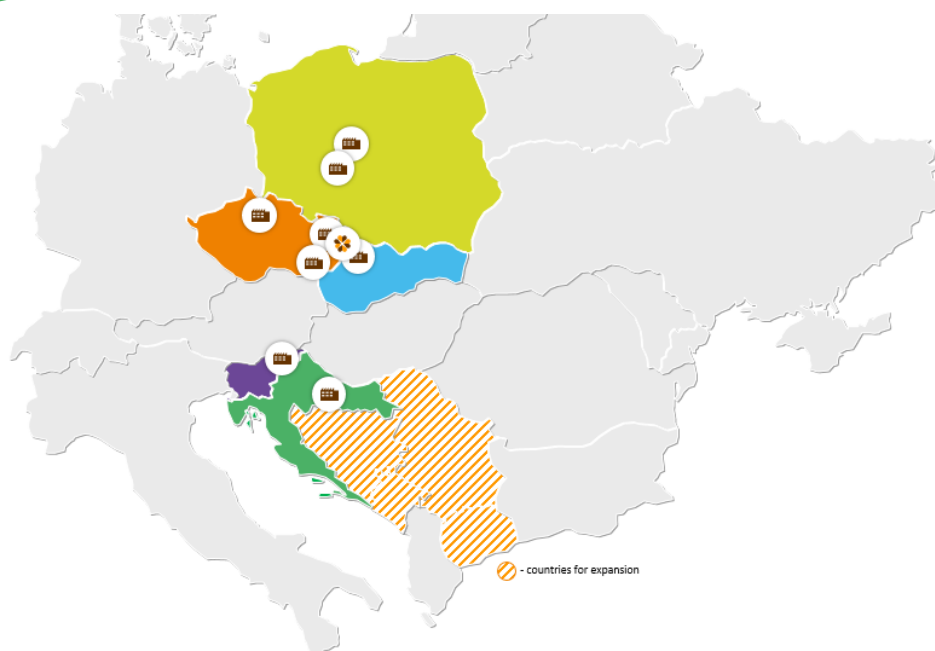
- ❖ no. 1 player in the soft drinks market in both Retail & HoReCa



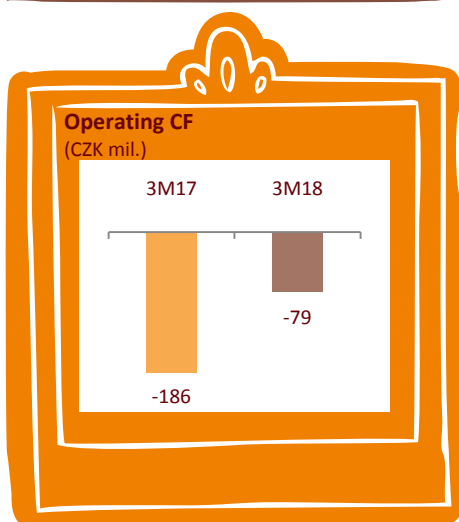
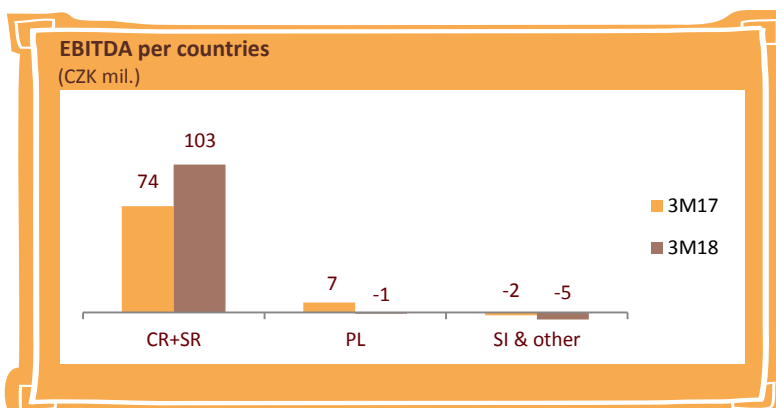
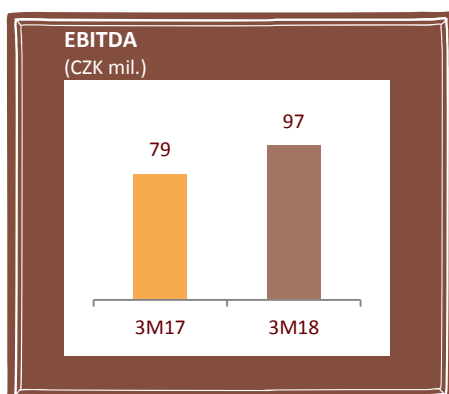
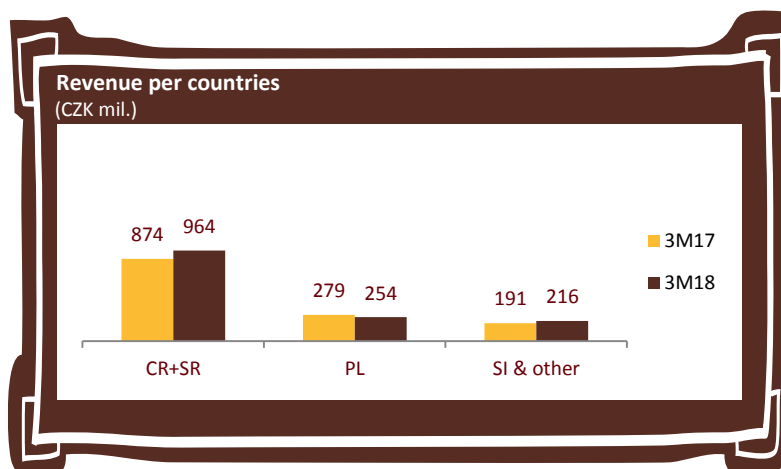
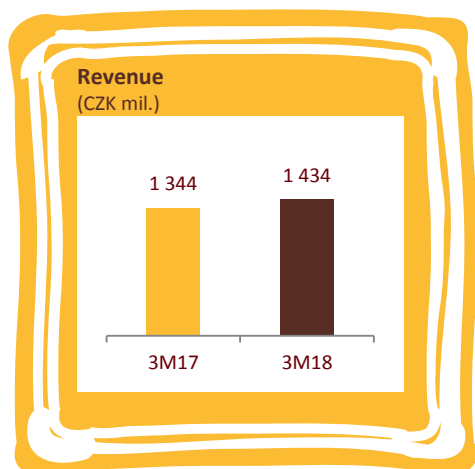
- ❖ no. 2 syrup brand
- ❖ no. 3 cola brand
- ❖ one of leading private label soft drinks producers



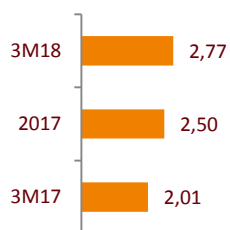
- ❖ production and distribution of PepsiCo products
- ❖ no. 2 water brand
- ❖ no. 2 syrup brand



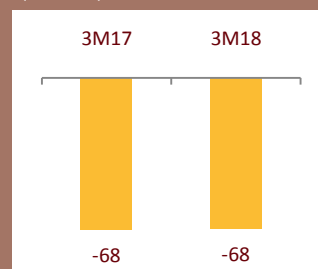
FOR THE 3M PERIOD



Net debt / EBITDA



Profit for the period
(CZK mil.)



The results and ratios above are based on adjusted results. For details on financial performance and reconciliation of reported and adjusted results refer to section 3.1.

MAIN ISSUES IN 3M18:

- GROUP'S EBITDA WITHOUT POLAND INCREASED BY CZK 25 934 THOUSAND (36.0 %).
- GROUP'S REVENUE WITHOUT POLAND INCREASED BY CZK 115 931 THOUSAND (10.9 %).
- GROSS PROFIT INCREASED BY CZK 69 455 THOUSAND (14.8 %)
- POSITIVE EFFECT OF THE END OF SUGAR IMPORT QUOTAS

2. KOFOLA GROUP

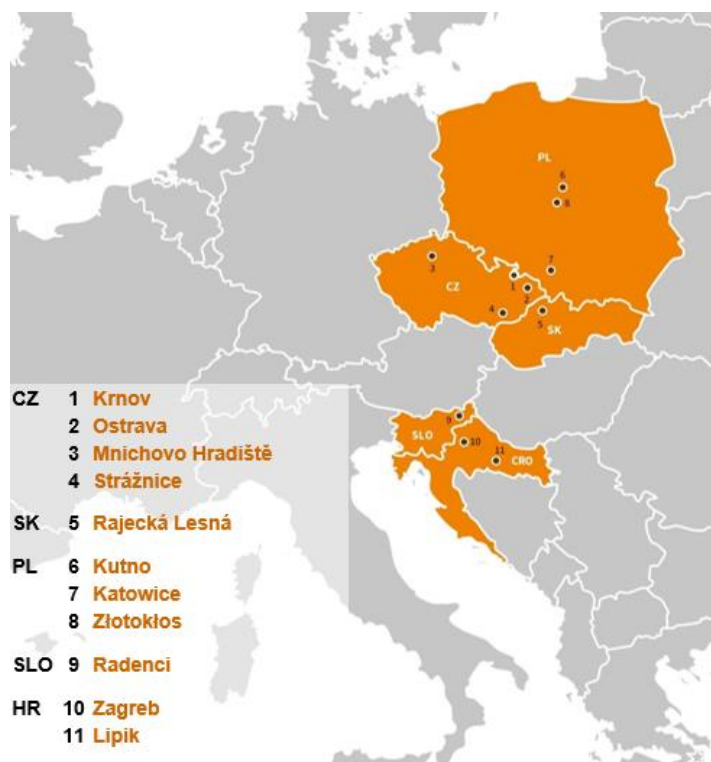


2.1. KOFOLA ČESKOSLOVENSKO

Kofola ČeskoSlovensko a.s. ("the Company") is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company's websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHBQ359.

2.2. KOFOLA GROUP

BASIC INFORMATION



Kofola ČeskoSlovensko a.s. is part of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. The Group has a leading market position on the CzechoSlovak market and is targeting to replicate its success in other CEE markets. The Group has limited activities in Russia.

The Group produces its products with care and love in eight main production plants located in the Czech Republic (three plants), Slovakia (one plant), Poland (two plants), Slovenia (one plant) and Croatia (one plant).

The Group distributes its products using a wide variety of packaging, including kegs that are used in the HoReCa channel to serve our widely popular drink „Kofola Draught" and keep its high-quality standard. The Group distributes its products through Retail HoReCa and Impulse channels. We have successfully implemented a direct distribution concept in the Czech Republic and Slovakia.

KEY BRANDS

Key own brands include carbonated beverages Kofola, Vinea and Hoop Cola, waters Radenska, Studenac and Rajec, syrups Jupí and Paola, beverages for children Jupík, energy drinks Semtex and UGO fresh juices and salad bars. In selected markets, the Group distributes among others Rauch, Evian, Badoit or Vincentka products and under the licence produces RC Cola, Orangina, Rauch or Pepsi. The Group also produces and distributes water, carbonated and non-carbonated beverages and syrups under private labels for third parties, mostly big retail chains.

Despite the fact that the Group's portfolio includes more than 30, mostly well-established and recognisable brands with a wide market, the Group's key brand is Kofola.

2. KOFOLA GROUP

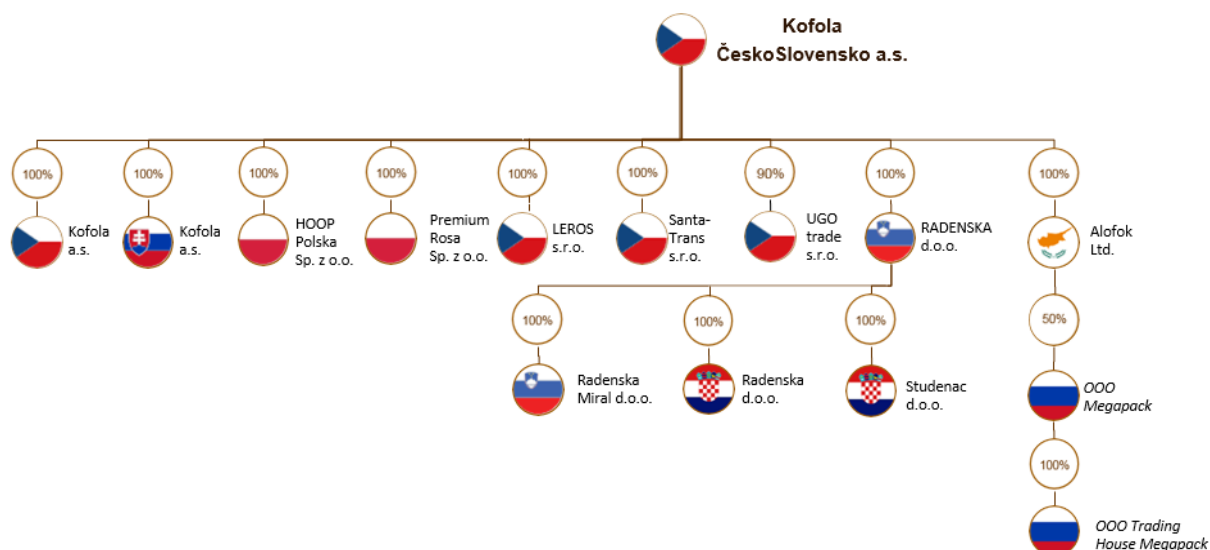


Main brands by main markets are shown in the visualisation below:



2.3. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 31 MARCH 2018



2. KOFOLA GROUP



DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Principal activities	Ownership interest and voting rights	
			31.3.2018	31.12.2017
Holding companies				
Kofola ČeskoSlovensko a.s.	Czech Republic	top holding company		
Alofok Ltd.	Cyprus	holding	100.00%	100.00%
Production and trading				
Kofola a.s.	Czech Republic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Hoop Polska Sp. z o.o.	Poland	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO trade s.r.o.	Czech Republic	operation of fresh bars chain	90.00%	90.00%
RADENSKA d.o.o.	Slovenia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Studenac d.o.o.	Croatia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Radenska d.o.o.	Croatia	sales support and administration	100.00%	100.00%
Radenska Miral d.o.o.	Slovenia	trademark licensing	100.00%	100.00%
Premium Rosa Sp. z o.o.	Poland	production and distribution of syrups and jams	100.00%	100.00%
LEROS, s.r.o.	Czech Republic	production and distribution of products from medicinal plants and quality natural teas	100.00%	n/a
Transportation				
SANTA-TRANS s.r.o.	Czech Republic	road cargo transport	100.00%	100.00%
Associated companies				
OOO Megapack	Russia	production of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
OOO Trading House Megapack	Russia	sale and distribution of non-alcoholic and low-alcoholic beverages	50.00%	50.00%

2. KOFOLA GROUP



2.4. SUCCESSES AND AWARDS IN 2018



Czech TOP 100 – Kofola ČeskoSlovensko a.s. the fourth most admired company in the Czech Republic in 2018. Repeatedly in top 5 since 2007.



Randstad Award - Kofola in top 10 most attractive employers in the Czech Republic

3. BOARD OF DIRECTORS REPORT



3.1. BUSINESS OVERVIEW

OVERALL PERFORMANCE IN 3M2018

Kofola Group managed to increase sales in its core markets in the CzechoSlovakia and Adriatic region – when total consolidated revenue in these countries grew significantly by 11.3 %.

The Group's revenue on CzechoSlovak market increased by 10.3 %. The increase was coming mainly from the Retail channels. The good performance of key brands was further supported by healthy and fresh UGO products, which are gaining on their importance in the Group.

Adriatic region (Slovenia+Croatia) showed revenues growth by 11.3 %. We continue in building our presence in Adriatic countries outside of Slovenia through own sales and a distribution organisation where we extend the brand support. CzechoSlovak and Adriatic markets have growing share on overall Group revenue (80.2 % in 3M18, 76.9 % in 3M17).

The Group's revenue when compared to last year grew by 6.7 % which is caused by increased revenues in all segments except Poland. Revenues in Poland decreases but for the first time the decrease is a one-digit decline (9.1 %).

On March 13, 2018, Kofola purchased a subsidiary LEROS, s.r.o., a producer of high quality products from medicinal plants and quality natural teas. In 2017, LEROS reached sales exceeding CZK 130 million. This step will create another segment for Kofola based on herbs and authentic healthy raw materials.

To strengthen our competitiveness in the Polish market, we further continue with the consolidation of production capacities started last year and invest in new product development to support strategic focus on own brands. We informed about the decision to discontinue the production in Grodzisk Wielkopolski and concentration of the whole production in Poland in one plant in Kutno which was expanded and modernized in recent years. This will help to maintain high quality of products and improve the competitive edge on the Polish market. The termination of production in Grodzisk Wielkopolski will not have any negative impact on the delivery of products to existing customers. This production restructuring in HOOP Polska took place in the period from August 2017 to December 2017. The downsizing has affected 135 employees of HOOP Polska in various occupational groups, representing about 36 % of the total number of its employees.

To reverse the situation on the Polish market, in addition to continuing branding and innovation to healthier drinks, HOOP Polska has concluded an agreement with Nestea ice tea owner, Nestle S.A. From 2018, HOOP Polska distributes these beverages for the Polish market.

DIVIDEND PAYMENT FROM FY2017

The Board of the Company decided to recommend to the general meeting, which will be held on 18 May 2018, to pay out part of the Company's after tax profit recognised in the ordinary financial statements of the Company as at December 31, 2017 in amount of CZK 300 982 500 to the Company's shareholders. Recommended dividend thus amounts 13.50 CZK per Company's share, before tax.

The relevant date for exercising the right to dividend will be May 11, 2018.

The dividend will be payable from June 18, 2018 to June 18, 2021.

On 14 May 2018, the company AETOS a.s., a majority shareholder of the Company, filed a counter-proposal for the agenda of the general meeting and proposed a dividend of 16.20 CZK per Company's share, before tax.

IMPORTANT MATTERS AFTER 31 MARCH 2018

On 9 May 2018, CED Group s.à r.l, a subsidiary of PEF VI managed by Enterprise Investors ("CED Group"), announced its intention to sell up to its entire stake in the Company of 4 673 445 shares (corresponding to 20.96 % of Company's share capital) in the near term.

Depending on favorable market conditions, CED Group aims to conduct a private placement to institutional investors for which the bookbuilding process could start in the course of the coming weeks. If all of CED Group's shares are sold, the free float in the Company would increase to approximately 27 %.

ADJUSTMENTS OF REPORTED PERFORMANCE AND POSITION

Presented below is a description of the financial performance and financial position of Kofola Group in 2018. It should be read along with the financial statements and with other financial information contained in the attached consolidated

3. BOARD OF DIRECTORS REPORT

financial statements and separate financial statements. The Board of Directors is presenting and commenting on the consolidated financial results adjusted for one-off events in the following sections of part A.

3.1.1 ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Adjusted consolidated financial results 2018	3M18	One-off adjustments	3M18 adjusted
	CZK'000	CZK'000	CZK'000
Revenue	1 433 952	-	1 433 952
Cost of sales	(894 272)	-	(894 272)
Gross profit	539 680	-	539 680
Selling, marketing and distribution costs	(479 559)	-	(479 559)
Administrative costs	(104 044)	4 263	(99 781)
Other operating income, net	1 047	1 371	2 418
Operating loss	(42 876)	5 634	(37 242)
Depreciation and amortisation	134 514	-	134 514
EBITDA	91 638*	5 634	97 272**
Finance costs, net	(27 466)	-	(27 466)
Income tax	(3 352)	-	(3 352)
Loss for the period	(73 694)	5 634	(68 060)
- attributable to owners of Kofola ČeskoSlovensko a.s.	(72 483)	5 634	(66 849)

* EBITDA refers to operating profit plus depreciation and amortisation.

** Adjusted EBITDA refers to EBITDA adjusted for the effects of events and transactions that are non-recurring, extraordinary or unusual in nature (mostly non-monetary), including in particular results from the sale of fixed assets and financial assets, costs not arising from ordinary operations, such as those associated with the impairment of fixed assets, financial assets, goodwill and intangible assets, relocation costs and the costs of group layoffs.

The operating profit of the Kofola Group for the 3-month period ended 31 March 2018 was affected by the following one-off items:

- Net other operating income from the sale of production lines in Poland of CZK 4 593 thousand.
- Costs connected with maintenance of closed Bielsk Podlaski plant of CZK 2 134 thousand (in Polish segment).
- Costs connected with maintenance of closed Grodzisk Wielkopolski plant and other restructuring costs of CZK 3 830 thousand (in Polish segment).
- Acquisition costs – Czech operation incurred costs of CZK 4 263 thousand.

Adjusted consolidated financial results 2017	3M17	One-off adjustments	3M17 adjusted
	CZK'000	CZK'000	CZK'000
Revenue	1 343 528	-	1 343 528
Cost of sales	(875 426)	2 123	(873 303)
Gross profit	468 102	2 123	470 225
Selling, marketing and distribution costs	(440 839)	-	(440 839)
Administrative costs	(89 811)	1 621	(88 190)
Other operating income, net	13 042	(11 937)	1 105
Operating loss	(49 506)	(8 193)	(57 699)
Depreciation and amortisation	136 661	-	136 661
EBITDA	87 155*	(8 193)	78 962**
Finance costs, net	(12 839)	-	(12 839)
Income tax	1 829	225	2 054
Loss for the period	(60 516)	(7 968)	(68 484)
- attributable to owners of Kofola ČeskoSlovensko a.s.	(59 484)	(7 968)	(67 452)

* EBITDA refers to operating profit plus depreciation and amortisation.

** Adjusted EBITDA refers to EBITDA adjusted for the effects of events and transactions that are non-recurring, extraordinary or unusual in nature (mostly non-monetary), including in particular results from the sale of fixed assets and financial assets, costs not arising from ordinary operations, such as those associated with the impairment of fixed assets, financial assets, goodwill and intangible assets, relocation costs and the costs of group layoffs.

The operating profit of the Kofola Group for the 3-month period ended 31 March 2017 was affected by the following one-off items:

- Net revenue from the sale of warehouse of CZK 2 945 thousand, tax 17 % applies (in Slovenian segment).
- Costs connected with SAP implementation of CZK 1 621 thousand, tax 17 % applies (in Slovenian segment).
- Net other operating income from the sale of production line in Poland of CZK 8 992 thousand.
- Costs connected with maintenance of closed Bielsk Podlaski plant of CZK 2 123 thousand (in Polish segment).

3. BOARD OF DIRECTORS REPORT



3.1.2 FINANCIAL PERFORMANCE

Adjusted consolidated financial results	3M18	3M17	Change	Change
	CZK'000	CZK'000	CZK'000	%
Revenue	1 433 952	1 343 528	90 424	6.7%
Cost of sales	(894 272)	(873 303)	(20 969)	2.4%
Gross profit	539 680	470 225	69 455	14.8%
Selling, marketing and distribution costs	(479 559)	(440 839)	(38 720)	8.8%
Administrative costs	(99 781)	(88 190)	(11 591)	13.1%
Other operating income, net	2 418	1 105	1 313	118.8%
Operating loss	(37 242)	(57 699)	20 457	(35.5%)
EBITDA	97 272	78 962	18 310	23.2%
Finance costs, net	(27 466)	(12 839)	(14 627)	113.9%
Income tax	(3 352)	2 054	(5 406)	(263.2%)
Loss for the period	(68 060)	(68 484)	424	(0.6%)
- attributable to owners of Kofola ČeskoSlovensko a.s.	(66 849)	(67 452)	603	(0.9%)

REVENUE

In 3M18, the Group's revenue amounted to CZK 1 433 952 thousand and increased by CZK 90 424 thousand or 6.7 % from CZK 1 343 528 thousand in 3M17.

Revenue grew in all segments except Poland. Major part of the increase comes from the Czech segment, thanks to sales of Kofola, Rauch, Vinea and increased sales in Ugo. Sales in the Adriatic region increased by 17.2 %, where sales in Croatia grew by 85.8 %.

In 3M18, the Group's revenue from sales of finished products and services amounted to CZK 1 292 163 thousand and increased by CZK 60 081 thousand or 4.9 % from CZK 1 232 082 thousand in 3M17.

In 3M18, the Group's revenue from sales of goods and materials amounted to CZK 141 789 thousand and increased by CZK 30 343 thousand (27.2 %) from CZK 111 446 thousand in 3M17. The increase in revenue from sale of goods and materials was attributable mostly to sales of Rauch products.

The following table sets forth revenues from sales split by category of products for 3M18 and 3M17.

Product lines	3M18		3M17	
	Revenue	Share	Revenue	Share
	CZK'000	%	CZK'000	%
Carbonated beverages	579 884	40.44%	558 488	41.57%
Non-carbonated beverages	163 492	11.40%	120 962	9.00%
Waters	376 866	26.28%	391 081	29.11%
Syrups	158 339	11.05%	151 347	11.26%
Other	155 371	10.83%	121 650	9.06%
Total	1 433 952	100.00%	1 343 528	100.00%

The activities of the Group concentrate on the production of beverages in four market categories: carbonated beverages (including cola beverages), non-carbonated beverages, types of bottled water and syrups. Together these categories accounted for 89.2 % of the Group's sales revenue in 3M18.

The following table sets forth revenue from sales split by countries for 3M2018 and 3M2017. The allocation of revenue to a particular country segment is based on the geographical location of customers.

Geographical segments	3M18		3M17	
	Revenue	Share	Revenue	Share
	CZK'000	%	CZK'000	%
Czech Republic	645 617	45.02%	566 319	42.15%
Slovakia	318 232	22.19%	307 770	22.91%
Poland	253 717	17.69%	279 224	20.78%
Slovenia	133 996	9.34%	130 912	9.74%
Other*	82 390	5.76%	59 303	4.42%
Total	1 433 952	100.00%	1 343 528	100.00%

* including Croatia (3M18: 52 420, 2017: 28 213 CZK thousand)

In CzechoSlovakia, the UGO's revenue grew by CZK 26 118 thousand to CZK 106 724 thousand (32.4 %) and are becoming more important part of the Group's revenues. UGO operated 82 fresh bars and salad bars as at 31 March 2018.

3. BOARD OF DIRECTORS REPORT



In comparison with 3M17, there was a decrease in revenue from sales in Poland driven by lower sales of private labels.

Total Group's consolidated revenues without Polish segment grew by 10.9 % (CZK 115 931 thousand) in comparison with 3M17.

COST OF SALES

In 3M18, the Group's cost of sales amounted to CZK 894 272 thousand and increased by CZK 20 969 thousand or 2.4 % from adjusted CZK 873 303 thousand in 3M17.

In 3M18, the Group's cost of products and services sold amounted to CZK 773 260 thousand and remained flat when compared with 3M17.

In 3M18, the Group's cost of goods and materials sold amounted to CZK 121 012 thousand and increased by CZK 21 066 thousand or 21.1 % from CZK 99 946 thousand in 3M17. The increase in the cost of goods and materials sold was attributable mostly to the sale of Rauch products.

GROSS PROFIT

In 3M18, the Group's gross profit amounted to CZK 539 680 thousand and increased by CZK 69 455 thousand or 14.8 % from adjusted CZK 470 225 thousand in 3M17, this was influenced by increased gross profit mainly Czechoslovakia (including UGO) and gross profit from the new subsidiary Premium Rosa which exceeded decreased gross profit in HOOP. Gross profit margin increased by 2.64 p.p. from 35.00 % in 3M17 to 37.64 % achieved in 3M18.

SELLING, MARKETING AND DISTRIBUTION COSTS

In 3M18, the Group's selling, marketing and distribution costs amounted to CZK 479 559 thousand and increased by CZK 38 720 thousand or 8.8 % from CZK 440 839 thousand in 3M17. The increase is influenced by increased costs in Czechoslovakia (mainly from marketing), UGO (mainly from selling overheads including personnel costs) which were partly compensated by lower selling, marketing and distribution costs in Poland.

ADMINISTRATIVE COSTS

In 3M18, the Group's administrative costs amounted to CZK 99 781 thousand and increased by CZK 11 591 thousand or 13.1 % from CZK 88 190 thousand in 3M17, the net increase is driven by increased administrative costs in Ugo.

EBITDA

The following table sets forth information regarding EBITDA for 3M18 and 3M17.

Adjusted EBITDA	3M18	3M17
	CZK'000 / %	CZK'000 / %
EBITDA*	97 272	78 962
EBITDA margin**	6.78%	5.88%
* EBITDA refers to operating profit plus depreciation and amortisation		
** Calculated as (EBITDA/Revenue) *100%		

The following table sets forth information regarding EBITDA split by countries for 2017 and 2016.

Adjusted EBITDA by countries	3M18		3M17	
	EBITDA	EBITDA margin	EBITDA	EBITDA margin
	CZK'000	%	CZK'000	%
Czech Republic	64 990	10.07%	21 417	27.1%
Slovakia	38 111	11.98%	53 140	67.3%
Poland	(791)	(0.31%)	6 833	8.7%
Slovenia	10 283	7.67%	6 565	8.3%
Other	(15 321)	(18.60%)	(8 993)	(11.4%)
Total	97 272	6.78%	78 962	100.00%

The net increase of EBITDA is caused by increased performance in Czechia and Slovenia.

The Group's EBITDA margin growth in 3M18 when compared with 3M17 comes from Czech and Slovenian markets. In Czechoslovakia, this is because of our strong presence in the HoReCa distribution channel, where non-alcoholic beverages

3. BOARD OF DIRECTORS REPORT



can be sold with higher margins to loyal customers (both restaurants and end consumers). Significant part of revenues in Poland comes from private labels. Nevertheless, in Poland, the gross profit margin from own brands is increasing.

The Group's adjusted EBITDA without Poland increased by CZK 25 934 thousand (36.0 %) in comparison with 3M17.

OPERATING LOSS

Due to the reasons described above, in 3M18, the Group's adjusted operating loss amounted to CZK 37 242 thousand as compared to an operating loss of CZK 57 699 thousand in 3M17.

FINANCE COSTS, NET

In 3M18, the Group's net Finance costs amounted to CZK 27 466 thousand and increased by CZK 14 627 thousand as compared to net finance costs of CZK 12 839 thousand in 3M17. Decreased financial result is mainly influenced by increased foreign exchange losses of CZK 13 501 thousand. Net Finance costs include also the share in the loss of associate that in 3M18 amounted to CZK 70 thousand compared to loss of CZK 2 837 thousand in 3M17.

NET LOSS FOR THE PERIOD

Due to the reasons described above, in 3M18, the Group's loss for the period amounted to CZK 68 060 thousand as compared to CZK 68 484 thousand in 3M17.

3. BOARD OF DIRECTORS REPORT

3.1.3 FINANCIAL POSITION

Consolidated statement of financial position	31.3.2018	31.12.2017	Change	Change
	CZK'000	CZK'000	CZK'000	%
Total assets	6 779 299	6 578 868	200 431	3.0%
Non-current assets, out of which:	4 843 700	4 786 195	57 505	1.2%
<i>Property, plant and equipment</i>	<i>3 348 769</i>	<i>3 384 892</i>	<i>(36 123)</i>	<i>(1.1%)</i>
<i>Intangible assets</i>	<i>1 202 827</i>	<i>1 090 190</i>	<i>112 637</i>	<i>10.3%</i>
<i>Goodwill</i>	<i>86 302</i>	<i>86 302</i>	<i>-</i>	<i>-</i>
<i>Investment in associates</i>	<i>50 522</i>	<i>70 260</i>	<i>(19 738)</i>	<i>(28.1%)</i>
<i>Deferred tax assets</i>	<i>85 598</i>	<i>81 531</i>	<i>4 067</i>	<i>5.0%</i>
<i>Other</i>	<i>69 682</i>	<i>73 020</i>	<i>(3 338)</i>	<i>(4.6%)</i>
Current assets, out of which:	1 935 599	1 792 673	142 926	8.0%
<i>Inventories</i>	<i>543 745</i>	<i>494 508</i>	<i>49 237</i>	<i>10.0%</i>
<i>Trade and other receivables</i>	<i>1 158 330</i>	<i>994 155</i>	<i>164 175</i>	<i>16.5%</i>
<i>Cash and cash equivalents</i>	<i>212 197</i>	<i>289 594</i>	<i>(77 397)</i>	<i>(26.7%)</i>
<i>Other</i>	<i>21 327</i>	<i>14 416</i>	<i>6 911</i>	<i>47.9%</i>
Total equity and liabilities	6 779 299	6 578 868	200 431	3.0%
Equity	1 885 491	1 973 986	(88 495)	(4.5%)
Non-current liabilities	2 358 667	1 855 652	503 015	27.1%
Current liabilities	2 535 141	2 749 230	(214 089)	(7.8%)

ASSETS

At 31 March 2018, the Group's Property, plant and equipment amounted to CZK 3 348 769 thousand and decreased by CZK 36 123 thousand from CZK 3 384 892 thousand at the end of 2017. This change was mainly caused by additions and finance lease additions totalling CZK 78 026 thousand and on the other hand the depreciation charge of CZK 122 646 thousand, significant effect has exchange difference (CZK 15 620 thousand). The additions comprise mainly cars and sales support equipment.

As at 31 March 2018, Intangible assets were of CZK 1 202 827 thousand and increased by CZK 112 637 thousand or 10.3 % in comparison with 31 December 2017 mainly because of additions connected with the acquisition of Leros. Amortization amounted CZK 11 868 thousand.

The Group's current assets as at 31 March 2018 amounted to CZK 1 935 599 thousand, of which 60 % is represented by Trade and other receivables, 11 % is represented by Cash and cash equivalents and 28 % is formed by Inventories. The net increase of CZK 142 926 thousand or 7.8 % is mainly attributable to increased receivables.

Deferred tax asset increased by CZK 4 067 thousand to CZK 85 598 thousand, of which CZK 70 864 thousand is a deferred tax asset of RADENSKA d.o.o., resulting mainly from tax losses that are expected to be utilised in future.

LIABILITIES

As at 31 March 2018, the Group's current and non-current liabilities amounted to CZK 4 893 808 thousand, which constitutes an 6.3 % (CZK 288 926 thousand) increase compared to CZK 4 604 882 thousand at the end of December 2017. The new Facility loan agreement (which refinanced current loans and a loan for financing RADENSKA d.o.o. acquisition) with carrying amount of CZK 2 152 784 (2017: 1 644 571 thousand) as at 31 March 2018 is a main component of Group's liabilities. The reason for the execution of the Facility loan agreement was a consolidation of group financing to ensure strategic development, taking advantage of the favourable conditions of financial market and reduction of total financial cost. In 3M18 the refinancing of the Group continued – the Group withdrawn another part of Facility loan of 581 000 CZK.

The Group's consolidated net debt (calculated as total non-current and current liabilities relating to credits, loans, bonds, leases and other debt instruments less cash and cash equivalents) amounted to CZK 2 686 853 thousand as at 31 March 2018, which represents an increase of CZK 310 781 thousand or 13.1 % compared to CZK 2 375 872 thousand as at 31 December 2017. This increase is mainly influenced by repayments of overdrafts and purchase of LEROS.

The Group's consolidated net debt / Adjusted EBITDA as at 31 March 2018 was of 2.77 compared to 2.50 at the end of 2017.

The Group's provisions increased by CZK 2 560 thousand from CZK 126 303 thousand to CZK 128 863 thousand, which is mainly influenced by increase of provisions for bonuses.

3. BOARD OF DIRECTORS REPORT



3.1.4 CASH FLOWS

NET CASH FLOW FROM OPERATING ACTIVITIES

In 3M18, the Group's net cash flow from operating activities amounted to CZK (79 486 thousand) and increased by CZK 106 303 thousand from CZK (185 789 thousand) in 3M17. Increased operating cash flow in 3M18 is caused by a net effect of positive changes in working capital vs. YE values (high decrease of payables 3M17/2016 and lower increase of inventory 3M18/2017 than in 3M17/2016 which exceeded increase of receivables 3M18/2017).

NET CASH FLOW FROM INVESTING ACTIVITIES

In 3M18, the Group's net cash outflow from investing activities amounted to CZK (178 611) thousand and increased by CZK 92 306 thousand from CZK (86 305) thousand in 12M17. The outflow increase is a net effect of higher cash outflow in 2018 due to purchase of Leros subsidiary and lower CAPEX.

NET CASH FLOW FROM FINANCING ACTIVITIES

In 3M18, the Group's net cash inflow from financing activities amounted to CZK 181 894 thousand and increased by CZK 155 937 thousand from CZK 25 957 thousand in 3M17. The higher inflow was mainly a result of higher net inflow from loans (by CZK 140 739 thousand).

3.1.5 EXPECTED DEVELOPMENT IN SUBSEQUENT 6 MONTHS

Kofola Group will continue to deliver its products across Central and Eastern Europe, improve the efficiency of direct distribution in the Czech Republic and extend sales support in the Adriatic region.

In the Adriatic region, in next 6 months, we will face certain uncertainty related to Agrokor Group prebankruptcy procedure. However, the economical situation in Croatia is improving. We will enlarge distribution index of current products in Croatia and benefit from new launches. Practically almost all Croatian product portfolio will be redesigned. Our key goal is to significantly increase Studenac market share in Croatia.

Polish segment will carry on its business activities with focus on branded products that will be supported by increased marketing and trade marketing activities. Product portfolio will be further extended and key product lines will be redesigned to meet consumers' demand and current trends. Premium Rosa will introduce innovative products and penetrate the market further using synergies of cooperation with HOOP Polska sales team. HOOP Polska will benefit from centralized production in its plant in Kutno through increased production and logistic efficiency. Nevertheless, our brands are not sufficient for building a strong position on demanding Polish market. We necessarily need to fill in our portfolio. This is why we concluded a contract of distribution of ice teas with Nestea and we actively search for acquisition opportunities in the Polish market. Once we will not succeed in this area in year 2018 we will consider the possibility to leave this market.

In Czechia, we will integrate our last acquisition in LEROS with Premium Rosa and build our new healthy segment. In Ugo, we ended the phase of expansion and now we will focus on reaching the projected economic efficiency.

3. BOARD OF DIRECTORS REPORT

3.1.6 ALTERNATIVE PERFORMANCE INDICATORS

Even though ESMA (European Securities and Markets Authority) does not require a reconciliation of Alternative Performance Indicators (APM) to financial statements if the APM can be defined from the financial statements, we add such a reconciliation for better understanding of our calculation of EBITDA and Net Debt.

Definition and reconciliation of APM to the financial statements (FS)		FS	Line in FS
Revenue	A	Statement of Profit or Loss	Revenue
Cost of sales	(B)	Statement of Profit or Loss	Cost of sales
Gross profit	A+B=C	Statement of Profit or Loss	Gross profit
Selling, marketing and distribution costs	(D)	Statement of Profit or Loss	Selling, marketing and distribution costs
Administrative costs	(E)	Statement of Profit or Loss	Administrative costs
Other operating income, net	F	Statement of Profit or Loss	Other operating income + Other operating expenses
Operating loss	C+D+E+F=G	Statement of Profit or Loss	Operating loss
Depreciation and amortisation	H	Statement of Cash Flows	Depreciation and amortization
EBITDA	G+H=I	-	-
Bank credits and loans	J	Statement of Financial Position	Bank credits and loans*
Bonds issued	K	Statement of Financial Position	Bonds issued
Finance lease liabilities	L	Statement of Financial Position	Finance lease liabilities*
Cash and cash equivalents	M	Statement of Financial Position	Cash and cash equivalents
Net debt	J+K+L-M=N	-	-
Net debt/ EBITDA	N/I	-	-

* in both current and non-current liabilities

PURPOSE OF APM:

A. EBITDA

The Company uses EBITDA because it is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Company's depreciation and amortization policy, capital structure and tax treatment. EBITDA indicator is also treated as a good approximation for operating cash flow. Additionally, it is one of the fundamental indicators used by companies worldwide to set their key financial and strategic objectives.

The Company uses EBITDA indicator also in budgeting process, benchmarking with its peers and as a basis for remuneration for key management staff. Such indicator is also used by stock exchange and bank analysts.

B. NET DEBT

The Company uses Net debt indicator because it shows the real level of a Company's financial debt, i.e. the nominal amount of debt net of cash, cash equivalents, and highly liquid financial assets held by the Company. The indicator allows assessing the overall indebtedness of the Company.

C. NET DEBT/EBITDA

The Company uses Net debt / EBITDA indicator because it indicates a Company's capability to pay back its debt as well as its ability to take on additional debt to grow its business. Additionally, the Company uses this indicator to assess the adequacy of its capital structure and stability of its expected cash flows. Such indicator is also used by stock exchange and bank analysts.

3.1.7 DIVIDEND POLICY

On General Meeting held on 21 June 2017, the Company announced the change in the dividend policy with the aim of distributing of a dividend to the shareholders of Kofola of at least 60% of its consolidated net profit achieved in each financial year from 2017 until 2020, subject to sufficient distributable profits.

3.2. SUBSEQUENT EVENTS

No events have occurred after the end of the reporting period that would require disclosures in the Board of directors' report.

4. CORPORATE GOVERNANCE



4.1. SHARES AND SHAREHOLDERS

4.1.1 SHARE CAPITAL

As at 31 March 2018, the share capital of Kofola ČeskoSlovensko a.s. totalled CZK 2 229 500 000 and comprised 22 295 000 common registered shares with a nominal value of CZK 100 each, issued as book-entry shares under Czech law in particular under the Czech Companies Act, with the ISIN CZ0009000121.

The Share capital of the Company is fully paid up. The shares have been admitted for trading on the Prague Stock Exchange.

4.1.2 SHAREHOLDERS STRUCTURE

Group shareholders structure	31.3.2018	
	Number of shares pcs	Share %
AETOS a.s.	15 159 204	68.00%
CED GROUP S. a r.l.	4 673 445	20.96%
RADENSKA d.o.o.	1 114 109	5.00%
Others	1 348 242	6.04%
Total shares volume	22 295 000	100.00%

Group shareholders structure	31.12.2017	
	Number of shares pcs	Share %
AETOS a.s.	15 159 204	68.00%
CED GROUP S. a r.l.	4 673 445	20.96%
RADENSKA d.o.o.	1 114 109	5.00%
Others	1 348 242	6.04%
Total shares volume	22 295 000	100.00%

KSM Investment S.A. ("KSM"), René Musila and Tomáš Jendřejek restructured their shareholdings in Kofola ČeskoSlovensko a.s. ("Kofola") and transferred their shares in Kofola to AETOS a.s., a newly established wholly owned subsidiary of KSM. René Musila and Tomáš Jendřejek became shareholders of AETOS a.s. As of 10 August 2017, AETOS a.s. purchased 2 675 400 shares of Kofola representing 12 % of Kofola's share capital from CED GROUP S.à r.l. AETOS a.s., owned by the Samaras family and other founders owns 68 % of Kofola's shares as of 31 March 2018.

RADENSKA d.o.o. purchased in 2017 in a public tender offer 1 114 109 shares of the Company (which represents 5.0 % of the Company's share capital) in the total value of CZK 490 208 thousand (CZK 440 per share). In compliance with the relevant legal provisions, the voting rights attached to the shares owned by the Company and by RADENSKA d.o.o. cannot be exercised.

Subsequently, KSM intends to merge into AETOS a.s.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS 3M 2018
KOFOLA ČESKOSLOVENSKO A.S.

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Consolidated statement of profit or loss	Note	3M18	3M17
		CZK'000	CZK'000
Revenue from the sale of finished products and services	4.1	1 292 163	1 232 082
Revenue from the sale of goods and materials	4.1	141 789	111 446
Revenue		1 433 952	1 343 528
Cost of products and services sold	4.2	(773 260)	(775 480)
Cost of goods and materials sold	4.2	(121 012)	(99 946)
Cost of sales		(894 272)	(875 426)
Gross profit		539 680	468 102
Selling, marketing and distribution costs	4.2	(479 559)	(440 839)
Administrative costs	4.2	(104 044)	(89 811)
Other operating income	4.3	11 911	16 128
Other operating expenses	4.4	(10 864)	(3 086)
Operating loss		(42 876)	(49 506)
Finance income	4.5	1 248	12 878
Finance costs	4.6	(28 644)	(22 880)
Share of profit/(loss) of associate	4.11	(70)	(2 837)
Loss before income tax		(70 342)	(62 345)
Income tax expense/(benefit)	4.7	(3 352)	1 829
Loss for the period		(73 694)	(60 516)
<i>Attributable to:</i>			
Owners of Kofola ČeskoSlovensko a.s.		(72 483)	(59 484)
Non-controlling interests		(1 211)	(1 032)
Earnings per share for profit attributable to the ordinary equity holders of the company (in CZK)			
Basic earnings per share	4.8	(3.25)	(2.67)
Diluted earnings per share	4.8	(3.25)	(2.67)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Consolidated statement of other comprehensive income	Note	3M18 CZK'000	3M17 CZK'000
Loss for the period		(73 694)	(60 516)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign subsidiaries		(14 736)	41 416
Exchange differences on translation of foreign associate	4.11	(1 718)	4 413
Derivatives - Cash flow hedges		(7 335)	-
Deferred tax from cash flow hedging		1 394	-
Other comprehensive income for the period, net of tax		(22 395)	45 829
Total comprehensive income for the period		(96 089)	(14 687)
Attributable to:			
Owners of Kofola ČeskoSlovensko a.s.		(94 878)	(13 655)
Non-controlling interests		(1 211)	(1 032)

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2018, 31 December 2017 and 31 March 2017 in CZK thousand.

Assets	Note	31.3.2018 CZK'000	31.12.2017 CZK'000	31.3.2017 CZK'000
Non-current assets		4 843 700	4 786 195	4 930 977
Property, plant and equipment	4.9	3 348 769	3 384 892	3 440 964
Goodwill	4.10	86 302	86 302	86 302
Intangible assets	4.10	1 202 827	1 090 190	1 168 717
Investment in associate	4.11	50 522	70 260	69 358
Other receivables		67 376	70 703	60 246
Other non-financial assets		2 306	2 317	2 441
Deferred tax assets		85 598	81 531	102 949
Current assets		1 935 599	1 792 673	2 922 661
Assets classified as held for sale		-	-	111 918
Current assets excl. Assets classified as held for sale		1 935 599	1 792 673	2 810 743
Inventories		543 745	494 508	553 036
Trade and other receivables		1 158 330	994 155	1 069 333
Income tax receivables		21 327	14 416	10 952
Cash and cash equivalents		212 197	289 594	1 177 422
Total assets		6 779 299	6 578 868	7 853 638
Liabilities and equity				
	Note	31.3.2018 CZK'000	31.12.2017 CZK'000	31.3.2017 CZK'000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.		1 890 386	1 977 670	2 722 714
Share capital	1.5	2 229 500	2 229 500	2 229 500
Share premium and capital reorganisation reserve	1.5	(1 962 871)	(1 962 871)	(1 962 871)
Other reserves	1.5	2 043 044	2 048 985	2 076 026
Foreign currency translation reserve	1.5	20 576	37 030	211 754
Own shares	1.5	(491 565)	(491 565)	(1 118)
Retained earnings	1.5	51 702	116 591	169 423
Equity attributable to non-controlling interests	1.5	(4 895)	(3 684)	1 864
Total equity	1.5	1 885 491	1 973 986	2 724 578
Non-current liabilities		2 358 667	1 855 652	1 546 481
Bank credits and loans	4.14	1 963 416	1 480 488	867 713
Bonds issued	4.13	-	-	327 467
Finance lease liabilities		99 571	112 867	152 916
Provisions		86 093	85 483	26 624
Other liabilities		15 738	-	12 578
Deferred tax liabilities		193 849	176 814	159 183
Current liabilities		2 535 141	2 749 230	3 582 579
Bank credits and loans	4.14	444 532	682 025	1 751 923
Bonds issued	4.13	336 800	332 513	7 419
Finance lease liabilities		54 731	57 573	57 660
Trade and other payables		1 651 029	1 630 999	1 641 579
Income tax liabilities		5 279	5 300	9 906
Other financial liabilities		-	-	-
Provisions		42 770	40 820	114 092
Total liabilities		4 893 808	4 604 882	5 129 060
Total liabilities and equity		6 779 299	6 578 868	7 853 638

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Consolidated statement of cash flows	Note	3M18 CZK '000	3M17 CZK '000
Cash flows from operating activities			
Profit/ (Loss) before income tax	1.1	(70 342)	(62 345)
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.2	134 514	136 661
Net interest	4.5, 4.6	17 713	17 418
Share of result of associate	4.11	70	2 837
Change in the balance of provisions and adjustments		(8 038)	(39 000)
Derivatives	4.5, 4.6	1 160	(2 259)
Gain on sale of PPE and intangible assets	4.3, 4.4	(7 519)	(13 182)
Net exchange differences		5 001	(9 838)
Other		2 084	3 014
Cash movements			
Income taxes paid		(21 701)	(16 582)
Change in operating assets and liabilities			
Change in receivables		(131 275)	16 742
Change in inventories		(14 983)	(59 277)
Change in payables		13 830	(159 978)
Net cash inflow from operating activities		(79 486)	(185 789)
Cash flows from investing activities			
Sale of property, plant and equipment		12 671	16 177
Acquisition of property, plant and equipment and intangible assets		(83 807)	(102 491)
Purchase of subsidiary, excluding cash from takeover		(107 516)	-
Interest received		41	9
Net cash outflow from investing activities		(178 611)	(86 305)
Cash flows from financing activities			
Finance lease payments		(14 013)	(14 804)
Proceeds from loans and bank credits		581 000	140 266
Repayment of loans and bank credits		(374 923)	(74 928)
Dividends paid to company's shareholders		-	(10 916)
Interest and bank charges paid		(13 630)	(13 458)
Purchase of own shares		-	(203)
Termination of derivatives		3 460	-
Net cash outflow from financing activities		181 894	25 957
Net increase (decrease) in cash and cash equivalents		(76 203)	(246 137)
Cash and cash equivalents at the beginning of the period		289 594	1 421 014
Effects of exchange rate changes on cash and cash equivalents		(1 194)	2 545
Cash and cash equivalents at the end of the period		212 197	1 177 422

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 3-month period ended 31 March 2018, 12-month period ended 31 December 2017 and 3-month period ended 31 March 2017 in CZK thousand.

Consolidated statement of changes in equity	Note	Equity attributable to owners of Kofola ČeskoSlovensko a.s.							Equity attributable to non-controlling interests	Total equity
		Share capital	Share premium and capital reorganisation reserve	Other reserves	Foreign currency translation reserve	Own shares	Retained earnings	Total		
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000		
Balance as at 31 December 2017		2 229 500	(1 962 871)	2 048 985	37 030	(491 565)	116 591	1 977 670	(3 684)	1 973 986
IFRS 9 adjustment	3.7	-	-	-	-	-	7 594	7 594	-	7 594
Balance as at 1 January 2018		2 229 500	(1 962 871)	2 048 985	37 030	(491 565)	124 185	1 985 264	(3 684)	1 981 580
Profit / (loss) for the period	1.1	-	-	-	-	-	(72 483)	(72 483)	(1 211)	(73 694)
Other comprehensive income / (loss)		-	-	(5 941)	(16 454)	-	-	(22 395)	-	(22 395)
Total comprehensive income / (loss) for the period	1.2	-	-	(5 941)	(16 454)	-	(72 483)	(94 878)	(1 211)	(96 089)
Balance as at 31 March 2018		2 229 500	(1 962 871)	2 043 044	20 576	(491 565)	51 702	1 890 386	(4 895)	1 885 491

1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Consolidated statement of changes in equity	Note	Equity attributable to owners of Kofola ČeskoSlovensko a.s.						Total	Equity attributable to non-controlling interests	Total equity
		Share capital	Share premium and capital reorganisation reserve	Other reserves	Foreign currency translation reserve	Own shares	Retained earnings			
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000			
Balance as at 1 January 2017		2 229 500	(1 962 871)	2 075 994	165 925	(915)	228 939	2 736 572	2 896	2 739 468
Profit/(loss) for the period	1.1	-	-	-	-	-	(59 484)	(59 484)	(1 032)	(60 516)
Other comprehensive income (loss)		-	-	-	45 829	-	-	45 829	-	45 829
Total comprehensive income/(loss) for the period	1.2	-	-	-	45 829	-	(59 484)	(13 655)	(1 032)	(14 687)
Own shares purchase		-	-	-	-	(203)	-	(203)	-	(203)
Transfers		-	-	32	-	-	(32)	-	-	-
Balance as at 31 March 2017		2 229 500	(1 962 871)	2 076 026	211 754	(1 118)	169 423	2 722 714	1 864	2 724 578
Balance as at 1 January 2017		2 229 500	(1 962 871)	2 075 994	165 925	(915)	228 939	2 736 572	2 896	2 739 468
Profit / (loss) for the period	1.1	-	-	-	-	-	158 775	158 775	(6 580)	152 195
Other comprehensive income/(loss)		-	-	-	(128 895)	-	-	(128 895)	-	(128 895)
Total comprehensive income/(loss) for the period	1.2	-	-	-	(128 895)	-	158 775	29 880	(6 580)	23 300
Dividends		-	-	-	-	-	(300 941)	(300 941)	-	(300 941)
Own shares purchase		-	-	-	-	(490 650)	-	(490 650)	-	(490 650)
Transfers		-	-	(29 818)	-	-	29 818	-	-	-
Option scheme		-	-	2 809	-	-	-	2 809	-	2 809
Balance as at 31 December 2017		2 229 500	(1 962 871)	2 048 985	37 030	(491 565)	116 591	1 977 670	(3 684)	1 973 986

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

2. GENERAL INFORMATION



2.1. CORPORATE INFORMATION

GENERAL INFORMATION

Kofola ČeskoSlovensko a.s. ("the Company") is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company's websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHBQ359.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2018 was providing certain services for the other companies in Kofola Group, e.g. strategic services, services related to products, shared services and holding of licences and trademarks.

Kofola ČeskoSlovensko a.s. is a parent of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. Besides the traditional markets of the Czech Republic and Slovakia where the Group is a leader, the Group is also present in Poland, Slovenia and Croatia with limited activities in Russia. The Group produces drinks with care and love in seven production plants and key brands include Kofola, Hoop Cola, Jupí, Jupík, Rajec, Radenska, Paola, Semtex and Vinea. On selected markets, the Group distributes among others Pepsi, Rauch, Evian or Badoit products and under the licence produces RC Cola and Orangina.

Based on the information known to the Board of Directors of the Company acting with due care, the Company was for the whole reported period part of the group controlled by KSM Investment S.A. („Group“). Registered office: Rue de Neudorf 560A, L-2220 Luxembourg, Luxembourg. The ownership structure is described in section B 4.17.1.

STOCK EXCHANGE LISTING

Kofola ČeskoSlovensko a.s. is listed on Prague Stock Exchange (ticker KOFOL).

MANAGEMENT

As at 31 March 2018, the composition of the Board of Directors, Supervisory Board and Audit Committee was as follows:

BOARD OF DIRECTORS

- Janis Samaras – Chairman
- René Musila
- Tomáš Jendřejek
- Daniel Buryš
- Jiří Vlasák
- Marián Šefčovič

SUPERVISORY BOARD

- René Sommer – Chairman
- Dariusz Prończuk
- Pavel Jakubík
- Moshe Cohen-Nehemia
- Petr Pravda
- Bartosz Kwiatkowski

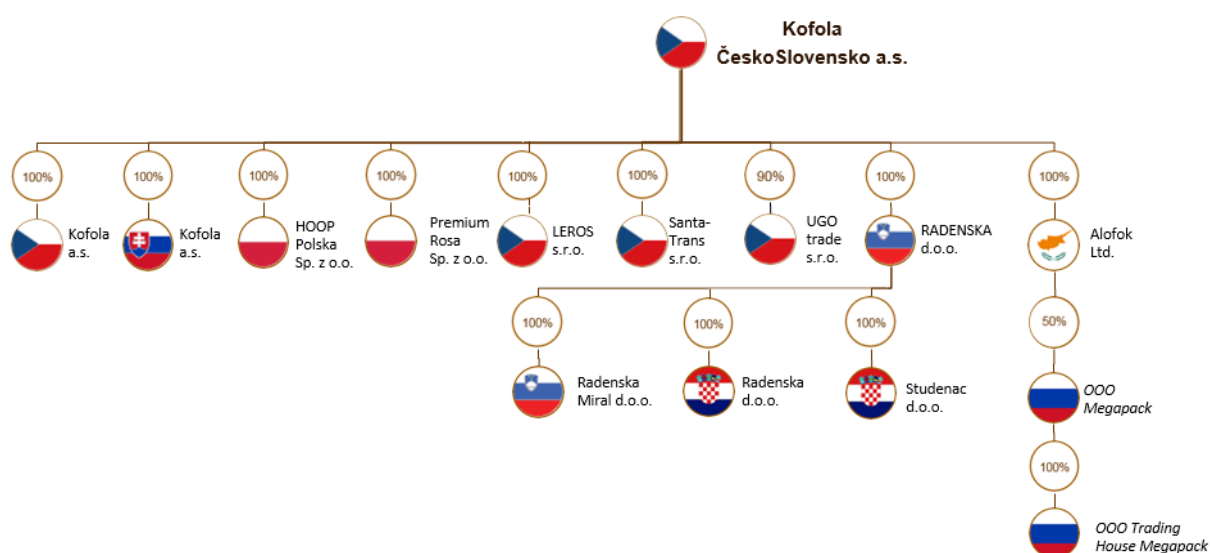
AUDIT COMMITTEE

- Petr Šobotník – Chairman
- Pavel Jakubík
- Bartosz Kwiatkowski

2. GENERAL INFORMATION

2.2. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 31 MARCH 2018



DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Principal activities	Ownership interest and voting rights	
			31.3.2018	31.12.2017
Holding companies				
Kofola ČeskoSlovensko a.s.	Czech Republic	top holding company		
Alofok Ltd.	Cyprus	holding	100.00%	100.00%
Production and trading				
Kofola a.s.	Czech Republic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Hoop Polska Sp. z o.o.	Poland	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO trade s.r.o.	Czech Republic	operation of fresh bars chain	90.00%	90.00%
RADENSKA d.o.o.	Slovenia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Studenac d.o.o.	Croatia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Radenska d.o.o.	Croatia	sales support and administration	100.00%	100.00%
Radenska Miral d.o.o.	Slovenia	trademark licensing	100.00%	100.00%
Premium Rosa Sp. z o.o.	Poland	production and distribution of syrups and jams	100.00%	100.00%
LEROS, s.r.o.	Czech Republic	production and distribution of products from medicinal plants and quality natural teas	100.00%	n/a
Transportation				
SANTA-TRANS s.r.o.	Czech Republic	road cargo transport	100.00%	100.00%
Associated companies				
OOO Megapack	Russia	production of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
OOO Trading House Megapack	Russia	sale and distribution of non-alcoholic and low-alcoholic beverages	50.00%	50.00%

3.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the laws binding in the Czech Republic and with International Financial Reporting Standards (“IFRS”), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Union, published and effective for reporting periods beginning 1 January 2018.

The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the acquisition as required by IFRS 3.

The consolidated financial statements include the consolidated statement of the financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes.

The Group’s consolidated financial statements cover the period ended 31 March 2018 and contain comparatives for the period ended 31 March 2017.

The consolidated financial statements are presented in Czech crowns (“CZK”), and all values, unless stated otherwise, are presented in CZK thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in section 3.6.

ADOPTION OF CHANGES TO STANDARDS

In May 2014, the International Accounting Standards Board (“IASB”) issued IFRS 15 - Revenue from Contracts with Customers which was subsequently endorsed by the European Union in September 2016. IFRS 15 establishes a framework for determining whether, how much and when revenue is recognised from contracts with customers. IFRS 15 supersedes existing standards and interpretations related to revenue. It defines a new five-step model to recognise revenue from customer contracts. The Group applies the new standard from 1 January 2018. No prior period financial information needs to be restated. The Group has undertaken a review of the main types of commercial arrangements used with customers under this model and has tentatively concluded that the application of IFRS 15 would not have a material impact on the consolidated results or financial position. The Group have already applied in the past the “trade money concept” when accounting for certain payments to customers, such as bonuses, listing fees and marketing support expenses was recorded as reduction of revenue.

In July 2014, the IASB issued IFRS 9 – Financial Instruments which was subsequently endorsed by the EU in November 2016. The standard addresses the accounting principles for the financial reporting of financial assets and financial liabilities, including classification, measurement, impairment, derecognition and hedge accounting. The standard contains three classification categories: measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL) and eliminates the existing IAS 39 categories: loans and receivables, held to maturity and available for sale. It is mandatory for the accounting period beginning on 1 January 2018. The Group has performed a review of the business model and decided to apply the modified retrospective approach with the effect of the change accounted in retained earnings as of 1 January 2018, 2017 comparative numbers will not be restated. The Group has assessed the impact of IFRS 9 and concluded that it would have an effect on the valuation of impairment to trade receivables. The effect of expected loss model on trade receivables which requires the identification of the credit risk concluded that the bad debt provision should be lower with the after-tax effect recorded in equity as of 1 January 2018 is described in section B 3.7.

IFRS 16 Leases – the new standard will be applied for the accounting period beginning on 1 January 2019. The Group is in the process of assessing the impact of the standard which is likely to result in changes to EBITDA and finance cost but is not expected to have a material impact on profit before tax. In addition, there is expected to be an increase in property, plant and equipment with a corresponding increase in liabilities as applicable leases are brought onto the balance sheet.

Other new standards and amendments are not relevant to the Group or do not have material effect on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES



3.2. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency.

3.3. FOREIGN CURRENCY TRANSLATION

The financial statements items of the group entities are measured using their functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized in profit or loss under:

- cost of sales – for trading operations,
- finance income and costs – for financial operations.

Non-monetary assets and liabilities carried at historical cost expressed in a foreign currency are stated at the historical exchange rate as at the date of the transaction. Non-monetary assets and liabilities carried at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were remeasured to the fair value.

Exchange differences on loans granted to subsidiaries forming a part of an investment are transferred, as part of consolidation adjustments, from profit or loss to other comprehensive income and accumulated in Foreign currency translation reserve in equity.

The following exchange rates were used for the preparation of the financial statements:

Closing exchange rates	31.3.2018	31.12.2017	31.3.2017
CZK/EUR	25.430	25.540	27.030
CZK/PLN	6.040	6.114	6.395
CZK/RUB	0.359	0.368	0.448
CZK/USD	20.641	21.291	25.282
CZK/HRK	3.421	3.439	3.630

Average exchange rates	1.1.2018 - 31.3.2018	1.1.2017 - 31.12.2017	1.1.2017 - 31.3.2017
CZK/EUR	25.402	26.330	27.020
CZK/PLN	6.078	6.185	6.254
CZK/RUB	0.363	0.401	0.432
CZK/USD	20.669	23.382	25.378
CZK/HRK	3.415	3.528	3.619

The results and financial position of foreign operations are translated into CZK as follows:

- assets and liabilities for each statement of financial position presented at closing exchange rates announced by the Czech National Bank for the balance sheet date,
- income and expense for each statement of profit or loss at average exchange rates announced by the Czech National Bank for the reporting period, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions,
- the resulting exchange differences are recognised in other comprehensive income and accumulated in equity,
- cashflow statement items at the average exchange rate announced by the Czech National Bank for the reporting period, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions. The resulting foreign exchange differences are recognized under the "Effects of exchange rate changes on cash and cash equivalents" item of the cash-flow statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING POLICIES



3.4. CONSOLIDATION METHODS

The consolidation methods based on which the present financial statements have been prepared have not changed compared to the methods used in the annual consolidated financial statements for the twelve-month period ended 31 December 2017.

3.5. ACCOUNTING METHODS

The accounting methods based on which the present financial statements have been prepared have not changed compared to the methods used in the annual consolidated financial statements for the twelve-month period ended 31 December 2017.

3.6. SIGNIFICANT ESTIMATES

Since some of the information contained in the consolidated financial statements cannot be measured precisely, the Group's management must perform estimates to prepare the consolidated financial statements. Management verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason, the estimates made as at 31 March 2018 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of goodwill and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Impairment of investment in associates	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Useful life of trade marks	The history of the trade mark on the market, market position, useful life of similar products, the stability of the market segment, competition.
Income tax	Assumptions used to recognise deferred income tax assets.

3.7. RESTATEMENTS AND CORRECTION OF ERRORS

The Group has assessed the impact of IFRS 9 and concluded that it would have an effect on the valuation of impairment to trade receivables. The Group uses a modified retrospective approach with the effect of the change accounted in retained earnings as of 1 January 2018, 2017 comparative numbers will not be restated.

The effect of expected loss model on trade receivables which requires the identification of the credit risk concluded that the bad debt provision should be lower with the after-tax effect recorded in equity as of 1 January 2018 in amount of CZK 7 594 thousand.

3.8. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the present consolidated financial statements for publication on 15 May 2018.

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.1. SEGMENT INFORMATION

The Board of Directors of Kofola ČeskoSlovensko a.s. is the chief operating decision maker (“CODM”) responsible for operational decision-making and uses segment results to decide on the allocation of resources to the segments and to assess segments’ performance. The Board of Directors examine the group’s performance from a product and geographic perspective and has identified the following reportable business segments:

Geographic segments

- Czech Republic
- Slovakia
- Poland
- Slovenia
- Other

Furthermore, CODM monitors revenue, but not a profit measure, from the following product lines:

- Carbonated beverages
- Non-carbonated beverages (incl. UGO fresh bottles)
- Waters
- Syrups
- Other (e.g. UGO fresh bars, energy drinks, isotonic drinks, transportation and other services)

The Group applies the same accounting methods to all segments. These policies are also in line with the accounting methods used in the preparation of these consolidated financial statements. Transactions between segments are eliminated in the consolidation process.

The segment Other represents an aggregation of few other countries mainly in Europe with similar economic characteristics.

The Group did not identify any customer in the three-month period ended 31 March 2018 that generated more than 10 % of the Group’s consolidated revenue (Group's revenue from significant customer in 3M17: CZK 137 342 thousand).

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



GEOGRAPHIC SEGMENTS

1.1.2018 – 31.3.2018	Czech Republic	Slovakia	Poland	Slovenia	Other	Subtotal	Consolidation adjustments	Russia	Total
	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000
Revenue	694 552	392 266	264 493	146 466	105 432	1 603 209	(169 257)	-	1 433 952
External revenue	645 617	318 232	253 717	133 996	82 390	1 433 952	-	-	1 433 952
Inter-segment revenue	48 935	74 034	10 776	12 470	23 042	169 257	(169 257)	-	-
Operating expenses	(694 732)	(379 993)	(289 695)	(151 678)	(129 987)	(1 646 085)	169 257	-	(1 476 828)
Related to external revenue	(645 797)	(305 959)	(278 919)	(139 208)	(106 945)	(1 476 828)	-	-	(1 476 828)
Related to inter-segment revenue	(48 935)	(74 034)	(10 776)	(12 470)	(23 042)	(169 257)	169 257	-	-
Operating profit/(loss)	(180)	12 273	(25 202)	(5 212)	(24 555)	(42 876)	-	-	(42 876)
Finance income/(costs), net						(27 431)	35	-	(27 396)
- within segment						(27 396)	-	-	(27 396)
- between segments						(35)	35	-	-
Share of profit of associate						-	-	(70)	(70)
Profit/(loss) before income tax						(70 307)	35	(70)	(70 342)
Income tax expense						(4 115)	763	-	(3 352)
Profit/(loss) for the period	(20 027)	5 986	(32 852)	(3 883)	(23 646)	(74 422)	798	(70)	(73 694)
EBITDA	60 727	38 111	(2 162)	10 283	(15 321)	91 638	-	-	91 638
One-offs (A 3.1.1)	4 263	-	1 371	-	-	5 634	-	-	5 634
Adjusted EBITDA (A 3.1.1)	64 990	38 111	(791)	10 283	(15 321)	97 272	-	-	97 272
Assets and liabilities									
Segment assets	5 983 061	1 225 884	1 439 257	1 743 003	318 247	10 709 452	(3 980 675)	50 522	6 779 299
Total assets	5 983 061	1 225 884	1 439 257	1 743 003	318 247	10 709 452	(3 980 675)	50 522	6 779 299
Segment liabilities	3 606 371	805 672	670 558	471 827	228 329	5 782 757	(888 949)	-	4 893 808
Equity									1 885 491
Total liabilities and equity									6 779 299
Other segment information									
Additions to PPE and Intangible assets	27 437	10 999	12 563	22 532	7 595	81 126	-	-	81 126
Depreciation and amortisation	60 907	25 838	23 040	15 495	9 234	134 514	-	-	134 514
Other Impairment losses	872	178	517	-	-	1 567	-	-	1 567
Other Impairment losses reversals	(2 747)	(1 143)	(6 084)	-	(456)	(10 430)	-	-	(10 430)

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



1.1.2017 – 31.3.2017	Czech Republic	Slovakia	Poland	Slovenia	Other	Subtotal	Consolidation adjustments	Russia	Total
	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000
Revenue	618 631	379 398	301 160	145 286	69 835	1 514 310	(170 782)	-	1 343 528
External revenue	566 319	307 770	279 224	130 912	59 303	1 343 528	-	-	1 343 528
Inter-segment revenue	52 312	71 628	21 936	14 374	10 532	170 782	(170 782)	-	-
Operating expenses	(662 472)	(357 111)	(308 340)	(153 609)	(82 284)	(1 563 816)	170 782	-	(1 393 034)
Related to external revenue	(610 160)	(285 483)	(286 404)	(139 235)	(71 752)	(1 393 034)	-	-	(1 393 034)
Related to inter-segment revenue	(52 312)	(71 628)	(21 936)	(14 374)	(10 532)	(170 782)	170 782	-	-
Operating profit/(loss)	(43 841)	22 287	(7 180)	(8 323)	(12 449)	(49 506)	-	-	(49 506)
Finance income/(costs), net						(10 160)	158	-	(10 002)
- within segment						(10 002)	-	-	(10 002)
- between segments						(158)	158	-	-
Share of loss of associate						-	-	(2 837)	(2 837)
Profit/(loss) before income tax						(59 666)	158	(2 837)	(62 345)
Income tax expense						1 439	390	-	1 829
Profit/(loss) for the period	(41 773)	15 411	(12 123)	(6 621)	(13 121)	(58 227)	548	(2 837)	(60 516)
EBITDA	21 417	53 140	13 702	7 889	(8 993)	87 155	-	-	87 155
One-offs (A 3.1.1)	-	-	(6 869)	(1 324)	-	(8 193)	-	-	(8 193)
Adjusted EBITDA (A 3.1.1)	21 417	53 140	6 833	6 565	(8 993)	78 962	-	-	78 962
Assets and liabilities									
Segment assets	6 111 703	1 312 447	1 635 267	2 254 164	251 186	11 564 767	(3 778 911)	67 782	7 853 638
Total assets	6 111 703	1 312 447	1 635 267	2 254 164	251 186	11 564 767	(3 778 911)	67 782	7 853 638
Segment liabilities	3 640 662	855 642	691 494	397 235	100 855	5 685 888	(556 828)	-	5 129 060
Equity									2 724 578
Total liabilities and equity									7 853 638
Other segment information									
Additions to PPE and Intangible assets	16 026	12 943	15 923	35 546	10 770	91 208	-	-	91 208
Depreciation and amortisation	65 258	30 853	20 882	16 212	3 456	136 661	-	-	136 661
Other Impairment losses	3 439	1 459	507	2 702	-	8 107	-	-	8 107
Other Impairment losses reversals	(162)	(892)	(1 814)	-	-	(2 868)	-	-	(2 868)

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PRODUCT LINES

1.1.2018 - 31.3.2018	Carbonated beverages CZK '000	Non-carbonated beverages CZK '000	Waters CZK '000	Syrups CZK '000	Other CZK '000	Total CZK '000
Revenue	579 884	163 492	376 866	158 339	155 371	1 433 952

1.1.2017 - 31.3.2017	Carbonated beverages CZK '000	Non-carbonated beverages CZK '000	Waters CZK '000	Syrups CZK '000	Other CZK '000	Total CZK '000
Revenue	558 488	120 962	391 081	151 347	121 650	1 343 528

SEASONAL AND CYCLICAL NATURE OF THE OPERATIONS

SEASONALITY

Seasonality is associated with periodic deviations in demand and supply, of certain significance in the shaping of the Kofola Group's general sales trends. Beverage sales peak appears in the 2nd and 3rd quarter of the year. This is caused by increased drink consumption in the spring and summer months. In the year ended 31 December 2017, about 19 % (21 % in 2016) of revenue from the sales of finished products and services was earned in the 1st quarter, with 29 % (29 % in 2016), 29 % (28 % in 2016) and 23 % (22 % in 2016) of the annual consolidated revenues earned in the 2nd, 3rd and 4th quarters, respectively.

CYCLICAL NATURE

The Group's results are to certain extent dependent on economic cycles, in particular on fluctuations in demand and in the prices of raw materials, so-called "commodities".

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.2. EXPENSES BY NATURE

Expenses by nature	3M18 CZK'000	3M17 CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	134 514	136 661
Employee benefits expenses (i)	319 273	283 673
Consumption of materials and energy	608 541	681 626
Cost of goods and materials sold	121 012	99 946
Services	233 159	228 161
Rental costs	27 883	30 274
Taxes and fees	14 760	18 982
Insurance costs	3 560	3 024
Change in allowance to inventory	(5 554)	(1 094)
Change in allowance to receivables	(3 309)	4 573
Other cost/(income)	3 176	2 480
Total expenses by nature*	1 457 015	1 488 306
Change in finished products and work in progress	20 860	(82 230)
Reconciliation of expenses by nature to expenses by function	1 477 875	1 406 076
Selling, marketing and distribution costs	479 559	440 839
Administrative costs	104 044	89 811
Costs of products and services sold	773 260	775 480
Cost of goods and materials sold	121 012	99 946
Total costs of products sold, merchandise and materials, sales costs and administrative costs	1 477 875	1 406 076

* excluding Other operating income, Other operating expenses and Impairment

(i) Employee benefits expenses

Employee benefits expenses	3M18 CZK'000	3M17 CZK'000
Salaries	237 763	214 183
Social security and other benefit costs	46 714	32 945
Pension benefit plan expenses	34 796	36 545
Total employee benefits expenses	319 273	283 673

4.3. OTHER OPERATING INCOME

Other operating income	3M18 CZK'000	3M17 CZK'000
Net gain from the sale of PPE and intangible assets	8 930	13 182
Reinvoiced payments	783	657
Received subsidies	113	-
Received penalties and compensation for damages	405	1 176
Other	1 680	1 113
Total other operating income	11 911	16 128

4.4. OTHER OPERATING EXPENSES

Other operating expenses	3M18 CZK'000	3M17 CZK'000
Net loss from disposal of PPE and intangible assets	1 411	-
Provided donations, sponsorship	1 306	2 735
Paid penalties and damages	233	34
Other tax expense	69	48
Other	7 845	269
Total other operating expenses	10 864	3 086

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.5. FINANCE INCOME

Finance income	3M18 CZK'000	3M17 CZK'000
Interest from:		
– bank deposits	3	7
– credits and loans granted	-	164
Exchange gains	1 070	9 169
Gain from revaluation of derivatives	-	3 305
Other	175	233
Total finance income	1 248	12 878

4.6. FINANCE COSTS

Finance costs	3M18 CZK'000	3M17 CZK'000
Interest from:		
– bank loans and credits, finance lease and bonds	17 716	17 589
Exchange losses	6 071	669
Bank costs and charges	3 658	3 437
Loss from revaluation/termination of derivatives	1 160	1 046
Other	39	139
Total finance costs	28 644	22 880

4.7. INCOME TAX

4.7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the three-month period ended 31 March 2018 and 31 March 2017 were as follows:

Income tax expense	3M18 CZK'000	3M17 CZK'000
Current income tax	14 716	3 053
Current income tax on profits for the year	14 716	3 026
Adjustments for current income tax of prior periods	-	27
Deferred income tax	(11 364)	(4 882)
Related to arising and reversing of temporary differences	(10 150)	(2 853)
Related to tax losses	(1 214)	(2 029)
Income tax expense	3 352	(1 829)

The income tax rate applicable to the majority of the Group's 2018 and 2017 income is 19 %.

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.8. EARNINGS PER SHARE

Data relating to the profits and shares used to calculate basic and diluted earnings per share are presented below:

	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(72 483)	(59 484)

	3M18 Pcs	3M17 pcs
Weighted average number of ordinary shares for EPS calculation	22 295 000	22 295 000
Effect of own shares	(2 421)	(2 108)
Weighted average number of ordinary shares used to calculate basic earnings per share	22 292 579	22 292 892
Dilution adjustments	-	-
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	22 292 579	22 292 892

Based on the above information, the basic and diluted earnings per share amounts to:

Basic earnings per share (CZK/share)	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(72 483)	(59 484)
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22 292 579	22 292 892
Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)	(3.25)	(2.67)

Diluted earnings per share (CZK/share)	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(72 483)	(59 484)
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share (pcs)	22 292 579	22 292 892
Diluted earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)	(3.25)	(2.67)

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.9. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 162 401 thousand in 3M18.

The investment projects realised by the Group in 3M18 comprise primarily additions to a to production machinery, mainly in Czech Republic and Slovenia, assets from acquisition of LEROS and sales support equipment in CzechoSlovakia.

The investment projects realised by the Group in 3M17 comprise primarily additions to production machinery and sales support equipment, mainly in Adriatic region, Slovakia and Poland.

4.10. INTANGIBLE ASSETS

The Goodwill consists of the goodwill from acquisition of PINELLI spol. s r.o. acquired in April 2011 and goodwill from acquisition of production part of Klimo s.r.o. by Kofola a.s. (Czech Republic) in 2006.

Amortisation of trademarks with definite useful lives is charged to Selling, marketing and distribution costs. Most of the trademarks are not amortized – such trademarks with indefinite useful lives are tested for impairment.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Vinea, Radenska, Hoop Cola, Paola, Citrocola, Semtex, Erektus and UGO.

In the reporting period ended 31 March 2018, the additions to intangible assets were of CZK 132 443 thousand. The most significant additions were connected with acquisition of LEROS, update of SAP in Kofola ČeskoSlovensko and cash register system in UGO.

In the reporting period of three-months ended 31 March 2017, the additions to intangible assets were of CZK 2 742 thousand. The most significant additions were purchases of software licence.

4.11. INVESTMENT IN ASSOCIATE

4.11.1 000 MEGAPACK

The main activities of the Megapack Group are the provision of beverage bottling services to third parties, production of own beverages, as well as their distribution on the territory of the Russian Federation.

Investment in associate	3M18	2017	3M17
	CZK'000	CZK'000	CZK'000
Opening balance	70 260	67 782	67 782
Share of profit/(loss) attributable to the Group	(70)	11 845	(2 837)
Dividend	(17 950)	-	-
Exchange difference	(1 718)	(9 367)	4 413
Closing balance	50 522	70 260	69 358

Statement of financial position	31.3.2018	31.12.2017	31.3.2017
	CZK'000	CZK'000	CZK'000
Current assets	263 230	255 469	168 426
Non-current assets	135 050	135 688	207 471
Current liabilities	(193 197)	(150 335)	(111 500)
Non-current liabilities	(21 528)	(15 723)	(19 982)
Net assets	183 555	225 099	244 415

Statement of profit or loss	3M18	2017	3M17
	CZK'000	CZK'000	CZK'000
Revenue	158 231	742 705	134 006
Profit/(Loss) for the period	(140)	23 690	(5 674)
Share of (loss) attributable to Kofola ČeskoSlovensko group	(70)	11 845	(2 837)

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.12. DIVIDENDS

Declared dividends	3M18 CZK'000	3M17 CZK'000
Declared dividend*	-	-
Dividend per share (CZK/share) **	-	-

* net of dividend to own shares

** declared dividend divided by the number of shares outstanding as of dividend record date

No dividends were declared before the publication of this report.

The Board of the Company decided to recommend to the general meeting, which will be held on 18 May 2018, to pay out part of the Company's after tax profit recognised in the ordinary financial statements of the Company as at December 31, 2017 in amount of CZK 300 982 500 to the Company's shareholders. Recommended dividend thus amounts 13.50 CZK per Company's share, before tax.

On 14 May 2018, the company AETOS a.s., a majority shareholder of the Company, filed a counter-proposal for the agenda of the general meeting and proposed a dividend of 16.20 CZK per Company's share, before tax.

4.13. BONDS

On 4 October 2013, according to the resolution of the Board of Directors from 12 August 2013, amended on 25 September 2013, KOFOLA S.A. issued 110 pieces of bonds denominated in Czech crowns with total nominal value of CZK 330 000 thousand.

Bonds issued:

- were not subject to public offering,
- were offered in private placements through underwriters, i.e. Česká spořitelna a.s. and PPF banka a.s., based on a subscription agreement from 3 October 2013,
- nominal value of one bond was CZK 3 000 000,
- issue price of one bond represented 99.0 % of the nominal value,
- maturity of bonds was 60 months from the date of issue, i.e. 4 October 2018,
- interest shall be calculated annually, the end of the first interest period was planned for 4 October 2014,
- interest rate – 12M PRIBOR plus a margin of 415 basis points,
- purpose of the bond issue was to obtain funds which will be used primarily to diversify the sources of financing and refinance part of the existing debt of the Group.

Bonds issued have been put on the regulated market of the Prague Stock Exchange, the first listing took place on 7 October 2013.

Own bonds issued	Currency	31.3.2018 CZK'000	31.12.2017 CZK'000	31.3.2017 CZK'000	Interest terms	Maturity date
Bonds issued KOFOLA VAR/18	CZK	336 800	332 513	334 886	12M PRIBOR + margin	10/2018
Bonds issued total		336 800	332 513	334 886		

INDEBTEDNESS OF THE GROUP FROM ISSUED BONDS

As at 31 March 2018, the Group has a liability from issued bonds in the total amount of CZK 336 800 thousand. Liabilities from interests and obligations from bonds maturing in October 2018 are disclosed in current liabilities. In 2018, the bonds will be refinanced by a bank loan.

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.14. BANK CREDITS AND LOANS

INDEBTEDNESS OF THE GROUP FROM THE CREDITS AND LOANS

As at 31 March 2018, the Group's total bank loans and credits amounted to CZK 2 407 948 thousand (2017: CZK 2 162 513 thousand) and increased by CZK 245 435 thousand compared to 31 December 2017.

CREDIT TERMS AND TERMS AND CONDITIONS

Based on credit agreements, the Company is required to meet specified covenants. In accordance with the requirements of IAS 1, a breach of credit terms that may potentially limit unconditional access to credits in the nearest year makes it necessary to classify such liabilities as current.

All bank loan covenants were met.

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.15. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2018 the Group companies provided the following guarantees for third party entities:

Entity providing guarantees	Entity receiving guarantees	Currency	Guarantee amount FCY'000	Guarantee amount CZK'000	Guarantee period	Guarantees provided for	Relationship
Kofola ČeskoSlovensko a.s.	Unicredit Bank a.s.	EUR	3 597	91 472	12/2022	Santa-Trans.SK s.r.o.	third party*
Total guarantees issued as at 31.3.2018				91 472			

* The fair value of the guarantees is close to zero (fair valuation in level 3).

4.16. LEGAL AND ARBITRATION PROCEEDINGS

DENATIONALISATION PROCEEDINGS AGAINST RADENSKA

There are pending denationalisation proceedings with respect to denationalisation claims of the legal successors of the former owners of RADENSKA d.o.o. – Wilhelmina Höhn Šarič and Ante Šarič. Although the denationalisation claims have been in the process of being decided on for many years (some for more than two decades), the competent authorities have still not ruled. Although the current decisions are favourable for RADENSKA d.o.o., there is a possible risk that they are ill-founded and could therefore be reversed as there is no relevant case law. Therefore, the legal outcome of these proceedings remains highly unclear and uncertain. The value of net assets in RADENSKA d.o.o. as of 31 March 2018 is CZK 703 mil (after exclusion of Kofola shares owned by Radenska).

OTHER PROCEEDINGS

Some of the Group companies are routinely involved in legal proceedings which arise in the ordinary course of the Group's business but which are not material to the Group. The Company is not involved in any judicial, administrative or arbitration proceedings and has not conducted such proceedings in the past.

Apart from the above denationalisation proceedings, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company and/or Group is aware, including any claims against the directors of the Company) which may have, or have had during the 12 months prior to the date of these financial statements, an effect on the financial position or profitability of the Company and/or the Group.

4.17. RELATED PARTY TRANSACTIONS

4.17.1 SHAREHOLDERS STRUCTURE

Share capital structure Name of entity	31.3.2018			31.12.2017		
	Number of shares	% in share capital	% in voting rights	Number of shares	% in share capital	% in voting rights
AETOS a.s.	15 159 204	68.00	71.58	15 159 204	68.00	71.58
CED GROUP S. a r.l.	4 673 445	20.96	22.07	4 673 445	20.96	22.07
RADENSKA d.o.o.	1 114 109	5.00	0.00	1 114 109	5.00	0.00
Others	1 348 242	6.04	6.35	1 348 242	6.04	6.35
Total	22 295 000	100.00	100.00	22 295 000	100.00	100.00

As of 31 March 2018, the ultimate controlling party is KSM Investment S.A., with registered office Rue de Neudorf 560A, L-2220 Luxembourg.

KSM Investment S.A. ("KSM"), René Musila and Tomáš Jendřejek restructured their shareholdings in Kofola ČeskoSlovensko a.s. ("Kofola") and transferred their shares in Kofola to AETOS a.s., a newly established wholly owned subsidiary of KSM. René Musila and Tomáš Jendřejek became shareholders of AETOS a.s. As of 10 August 2017, AETOS a.s. purchased 2 675 400 shares of Kofola representing 12 % of Kofola's share capital from CED GROUP S.à r.l. AETOS a.s., owned by the Samaras family and other founders owns 68 % of Kofola's shares as of 31 March 2018.

RADENSKA d.o.o. purchased in 2017 in a public tender offer 1 114 109 shares of the Company (which represents 5.0 % of the Company's share capital) in the total value of CZK 490 208 thousand (CZK 440 per share). In compliance with the relevant legal provisions, the voting rights attached to the shares owned by the Company and by RADENSKA d.o.o. cannot be exercised.

Subsequently, KSM intends to merge into AETOS a.s.

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



4.17.2 SUBSIDIARIES AND ASSOCIATES

Interests in subsidiaries and associates are set out in section 2.2.

4.17.3 REMUNERATION OF THE GROUP'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration of Group's key management personnel in 3M18.

Remuneration of the Group's key management personnel	compensation	Members of the Company's Board of Directors	Members of the Company's Supervisory board	Members of the Company's Audit committee	Other key management personnel of the Group	Total
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Amounts paid for activities in the Company's Board of Directors	Financial	6 515	-	-	-	6 515
	Non-financial	236	-	-	-	236
Amounts paid for activities in the Company's Supervisory board	Financial	-	257	-	-	257
	Non-financial	-	-	-	-	-
Amounts paid for activities in the Company's Audit committee	Financial	-	-	36	-	36
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	2 723	1 043	-	3 985	7 751
	Non-financial	-	107	-	72	179

4.18. FINANCIAL INSTRUMENTS

4.18.1 FINANCIAL INSTRUMENTS CATEGORIES

Fair value of Trade receivables, Other financial receivables, Cash and cash equivalents, Trade liabilities and Other financial liabilities is close to carrying amounts since the interest payable on them is either close to market rates or they are short-term.

31.3.2018	Financial assets at amortised cost	Derivatives at fair value through other comprehensive income	Financial liabilities at amortised cost	Total
	CZK'000	CZK'000	CZK'000	CZK'000
Trade and other receivables	1 033 580	-	-	1 033 580
Cash and cash equivalents	212 197	-	-	212 197
Derivatives (i)	-	(7 335)	-	(7 335)
Bank credits and loans	-	-	(2 407 948)	(2 407 948)
Bonds issued	-	-	(336 800)	(336 800)
Trade and other payables	-	-	(1 397 998)	(1 397 998)
Total	1 245 777	(7 335)	(4 142 746)	(2 904 304)

(i) Fair value of derivatives

The Group has concluded interest rate swap and commodity swap for diesel price. These derivatives are classified as cash flow hedges accounted for at fair value through other comprehensive income.

Measured derivatives are not traded in active markets, however all significant inputs required for fair value measurement are observable and as such the Group has included this instrument in Level 2 of fair value hierarchy levels.

31.12.2017	Financial assets at amortised cost	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
	CZK'000	CZK'000	CZK'000	CZK'000
Trade and other receivables	895 938	-	-	895 938
Cash and cash equivalents	289 594	-	-	289 594
Derivatives (ii)	-	4 620	-	4 620
Bank credits and loans	-	-	(2 162 513)	(2 162 513)
Bonds issued	-	-	(332 513)	(332 513)
Trade and other payables	-	-	(1 472 842)	(1 472 842)
Total	1 185 532	4 620	(3 967 868)	(2 777 716)

4. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS



(ii) Fair value of derivatives

Measured derivatives were not traded in active markets, however all significant inputs required for fair value measurement were observable and as such the Group had included this instrument in Level 2 of fair value hierarchy levels.

4.19. ACQUISITION OF SUBSIDIARY

ACQUISITION OF SUBSIDIARY LEROS

On March 13, 2018, the Company concluded an agreement to purchase a 100% stake in LEROS, s.r.o., producer of high quality products from medicinal plants and quality natural teas.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

Fair value of assets and liabilities	Book value	Fair value adjustments	Fair value
	CZK'000	CZK'000	CZK'000
Property, plant and equipment	27 416	-	27 41
Intangible assets	104	126 373	126 477
Inventories	27 477	-	27 477
Trade receivables and other receivables	32 844	-	32 844
Cash and cash equivalents	3 595	-	3 595
Other non-current liabilities	(8 356)	-	(8 356)
Bank credits and loans	(39 500)	-	(39 500)
Deferred tax liability	-	(20 177)	(20 177)
Trade liabilities and other liabilities	(38 665)	-	(38 665)
Total identifiable net assets acquired	4 915	106 196	111 111

The following table summarizes the consideration transferred, non-controlling interest, net assets acquired and goodwill.

Goodwill calculation	CZK'000
Consideration transferred	111 111
Net assets acquired	(111 111)
Goodwill	-

The valuation of net assets was prepared on the provisional basis due to the timing of the transaction. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

4.20. SUBSEQUENT EVENTS

No events have occurred after the end of the reporting period that would require adjusting the amounts recognised and disclosures made in the consolidated financial statements.



INTERIM SEPARATE FINANCIAL STATEMENTS 3M 2018
KOFOLA ČESKOSLOVENSKO A.S.

1. INTERIM SEPARATE FINANCIAL STATEMENTS

1.1. SEPARATE STATEMENT OF PROFIT OR LOSS

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Separate statement of profit or loss	Note	3M18	3M17
		CZK'000	CZK'000
Revenue from the sale of finished products and services		93 740	90 635
Revenue from the sale of goods and materials		100	-
Revenue		93 840	90 635
Cost of products and services sold	4.2	(11 684)	(9 869)
Cost of goods and materials sold		-	-
Cost of sales		(11 684)	(9 869)
Gross profit		82 156	80 766
Selling, marketing and distribution costs	4.2	(50 321)	(44 616)
Administrative costs	4.2	(57 014)	(53 904)
Other operating income	4.3	163	577
Other operating expenses	4.4	(612)	(150)
Operating loss		(25 628)	(17 327)
Finance income	4.5	3 034	14 928
Finance costs	4.6	(18 850)	(12 860)
Loss before income tax		(41 444)	(15 259)
Income tax (expense)/benefit	4.7	1 415	(3 446)
Loss for the period		(40 029)	(18 705)
Earnings/ (loss) per share (in CZK)			
Basic earnings per share	4.8	(1.80)	(0.84)
Diluted earnings per share	4.8	(1.80)	(0.84)

The above separate statement of profit or loss should be read in conjunction with the accompanying notes.

1.2. SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Separate statement of other comprehensive income	Note	3M18	3M17
		CZK'000	CZK'000
Loss for the period		(40 029)	(18 705)
Other comprehensive income			
Derivatives - Cash flow hedges		(7 335)	-
Deferred tax from cash flow hedging		1 394	-
Other comprehensive income for the period, net of tax		(5 941)	-
Total comprehensive income for the period		(45 970)	(18 705)

The above separate statement of other comprehensive income should be read in conjunction with the accompanying notes.

1.3. SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 March 2018, 31 December 2017 and 31 March 2017 in CZK thousand.

Assets		31.3.2018	31.12.2017	31.3.2017	
		CZK'000	CZK'000	CZK'000	
Non-current assets		4 472 392	4 283 072	3 869 122	
Property, plant and equipment	4.10	57 893	60 193	64 225	
Goodwill	4.11	30 675	30 675	30 675	
Intangible assets	4.11	346 624	350 158	365 350	
Investments in subsidiaries	4.9	2 856 563	2 745 452	3 365 198	
Other receivables		42 768	47 388	42 663	
Loans provided to related parties		1 137 669	1 049 006	811	
Other non-financial assets		200	200	200	
Current assets		356 126	306 200	465 797	
Trade and other receivables		352 559	292 263	452 753	
Income tax receivables		1 172	1 172	2 802	
Cash and cash equivalents		2 395	12 765	10 242	
Total assets		4 828 518	4 589 272	4 334 919	
Liabilities and equity					
Liabilities and equity		Note	31.3.2018	31.12.2017	31.3.2017
			CZK'000	CZK'000	CZK'000
Total equity			2 084 120	2 130 090	2 059 088
Share capital	1.5		2 229 500	2 229 500	2 229 500
Other reserves	1.5		(499 397)	(493 456)	(496 266)
Own shares	1.5		(1 357)	(1 357)	(1 118)
Retained earnings	1.5		355 374	395 403	326 972
Non-current liabilities			1 979 933	1 489 890	1 037 084
Bank credits and loans	4.13		1 931 272	1 444 883	646 989
Bonds issued	4.12		-	-	327 467
Finance lease liabilities			5 034	5 907	8 522
Other liabilities			7 335	-	12 350
Deferred tax liabilities			36 292	39 100	41 756
Current liabilities			764 465	969 292	1 238 747
Bank credits and loans	4.13		323 670	550 716	1 077 008
Bonds issued	4.12		336 800	332 513	7 419
Finance lease liabilities			3 621	3 664	4 494
Trade and other payables			85 709	75 454	136 433
Provisions			14 665	6 945	13 393
Total liabilities			2 744 398	2 459 182	2 275 831
Total liabilities and equity			4 828 518	4 589 272	4 334 919

The above separate statement of financial position should be read in conjunction with the accompanying notes.

1.4. SEPARATE STATEMENT OF CASH FLOWS

for the 3-month period ended 31 March 2018 and 31 March 2017 in CZK thousand.

Separate statement of cash flows	Note	3M18 CZK '000	3M17 CZK '000
Cash flows from operating activities			
Profit / (loss) before income tax	1.1	(41 444)	(15 259)
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.2	9 782	16 256
Net interest	4.5, 4.6	12 384	9 975
Change in the balance of provisions and adjustments		7 720	(22 584)
Derivatives	4.5, 4.6	1 160	(3 505)
Gain on sale of PPE and intangible assets	4.4	97	-
Net exchange differences	4.5	730	(8 834)
Other		642	2 590
Cash movements			
Income tax		-	-
Change in operating assets and liabilities			
Change in receivables		(56 962)	(2 637)
Change in payables		13 886	18 736
Net cash (outflow) from operating activities		(52 005)	(5 262)
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(8 669)	(12 230)
Acquisition of subsidiary		(111 111)	-
Interest received		53	1
Dividends received		-	81 046
Loans granted		(89 040)	(77 020)
Net cash inflow / (outflow) from investing activities		(208 767)	(8 203)
Cash flows from financing activities			
Finance lease payments		(917)	(1 606)
Proceeds from loans and bank credits		581 000	46 717
Repayment of loans and bank credits		(322 183)	(29 863)
Dividends paid to the shareholders of the Company		-	(10 916)
Interest and bank charges paid		(10 958)	(8 171)
Purchase of own shares		-	(203)
Termination of derivatives		3 460	-
Net cash inflow / (outflow) from financing activities		250 402	(4 042)
Net increase/(decrease) in cash and cash equivalents		(10 370)	(17 507)
Cash and cash equivalents at the beginning of the period		12 765	27 749
Cash and cash equivalents at the end of the period	1.3	2 395	10 242

The above separate statement of cash flows should be read in conjunction with the accompanying notes.

1.5. SEPARATE STATEMENT OF CHANGES IN EQUITY

for the 3-month period ended 31 March 2018, 12-month period ended 31 December 2017 and 3-month period ended 31 March 2017 in CZK thousand.

Separate statement of changes in equity	Note	Share capital CZK'000	Other reserves CZK'000	Own shares CZK'000	Retained earnings / (Accumulated losses) CZK'000	Total equity CZK'000
Balance as at 1 January 2017		2 229 500	(496 266)	(915)	345 677	2 077 996
(Loss) for the period	1.1	-	-	-	(18 705)	(18 705)
Total comprehensive income for the period	1.2	-	-	-	(18 705)	(18 705)
Own shares purchase		-	-	(203)	-	(203)
Balance as at 31 March 2017		2 229 500	(496 266)	(1 118)	326 972	2 059 088
Balance as at 1 January 2017		2 229 500	(496 266)	(915)	345 677	2 077 996
Profit for the period		-	-	-	350 667	350 667
Total comprehensive income for the period		-	-	-	350 667	350 667
Own shares purchase		-	-	(442)	-	(442)
Dividends		-	-	-	(300 941)	(300 941)
Option scheme		-	2 810	-	-	2 810
Balance as at 31 December 2017		2 229 500	(493 456)	(1 357)	395 403	2 130 090
Balance as at 1 January 2018		2 229 500	(493 456)	(1 357)	395 403	2 130 090
(Loss) for the period	1.1	-	-	-	(40 029)	(40 029)
Other comprehensive income	1.2	-	(5 941)	-	-	(5 941)
Total comprehensive income for the period	1.2	-	(5 941)	-	-	(45 970)
Balance as at 31 March 2018		2 229 500	(499 397)	(1 357)	355 374	2 084 120

The above separate statement of changes in equity should be read in conjunction with the accompanying notes.

2. GENERAL INFORMATION



2.1. CORPORATE INFORMATION

GENERAL INFORMATION

Kofola ČeskoSlovensko a.s. (“the Company”) is a joint-stock company registered on 12 September 2012. Its registered office is Nad Porubkou 2278/31a, Ostrava, 708 00, Czech Republic and the identification number is 24261980. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735. The Company’s websites are <http://www.firma.kofola.cz> and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHBQ359.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2018 was holding of the subsidiaries.

Kofola ČeskoSlovensko a.s. is the parent of the Kofola Group, one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe. Besides the traditional markets of the Czech Republic and Slovakia where the Group is a leader, the Group is also present in Poland, Slovenia and in Croatia with limited activities in Russia. The Group produces drinks with care and love in seven production plants (incl. Croatia) and key brands include Kofola, Hoop Cola, Jupí, Jupík, Rajec, Radenska, Paola, Semtex and Vinea. On selected markets, the Group distributes among others Rauch, Evian or Badoit products and under the licence produces RC Cola or Orangina.

STOCK EXCHANGE LISTING

Kofola ČeskoSlovensko a.s. is listed on Prague Stock Exchange (ticker KOFOL).

MANAGEMENT

BOARD OF DIRECTORS

- Janis Samaras – Chairman
- René Musíla
- Tomáš Jendřejek
- Daniel Buryš
- Jiří Vlasák
- Marián Šefčovič

SUPERVISORY BOARD

- René Sommer – Chairman
- Dariusz Prończuk
- Pavel Jakubík
- Moshe Cohen-Nehemia
- Petr Pravda
- Bartosz Kwiatkowski

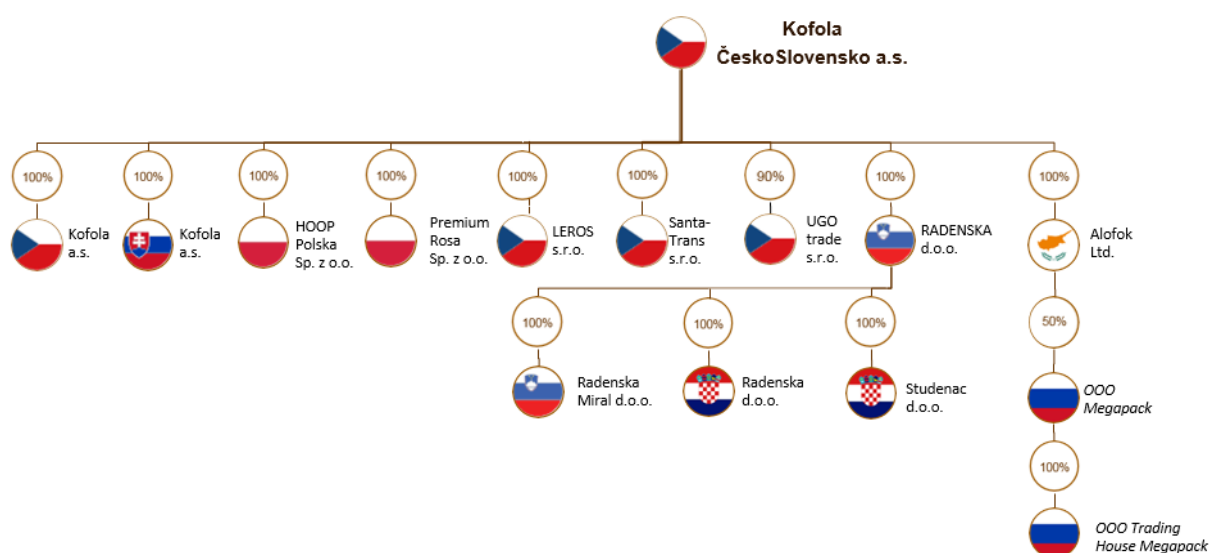
AUDIT COMMITTEE

- Petr Šobotník – Chairman
- Pavel Jakubík
- Bartosz Kwiatkowski

2. GENERAL INFORMATION

2.2. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 31 MARCH 2018



DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Principal activities	Ownership interest and voting rights	
			31.3.2018	31.12.2017
Holding companies				
Kofola ČeskoSlovensko a.s.	Czech Republic	top holding company		
Alofok Ltd.	Cyprus	holding	100.00%	100.00%
Production and trading				
Kofola a.s.	Czech Republic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Hoop Polska Sp. z o.o.	Poland	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO trade s.r.o.	Czech Republic	operation of fresh bars chain	90.00%	90.00%
RADENSKA d.o.o.	Slovenia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Studenac d.o.o.	Croatia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Radenska d.o.o.	Croatia	sales support and administration	100.00%	100.00%
Radenska Miral d.o.o.	Slovenia	trademark licensing	100.00%	100.00%
Premium Rosa Sp. z o.o.	Poland	production and distribution of syrups and jams	100.00%	100.00%
LEROS, s.r.o.	Czech Republic	production and distribution of products from medicinal plants and quality natural teas	100.00%	n/a
Transportation				
SANTA-TRANS s.r.o.	Czech Republic	road cargo transport	100.00%	100.00%
Associated companies				
OOO Megapack	Russia	production of non-alcoholic and low-alcoholic beverages	50.00%	50.00%
OOO Trading House Megapack	Russia	sale and distribution of non-alcoholic and low-alcoholic beverages	50.00%	50.00%

3.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

BASIS OF PREPARATION

The separate financial statements have been prepared in accordance with the laws binding in the Czech Republic and with International Financial Reporting Standards (“IFRS”), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) adopted by the European Union, published and effective for reporting periods beginning 1 January 2018.

The separate financial statements have been prepared on a going concern basis and in accordance with the historical cost method, except for financial assets and liabilities measured at fair value, and the assets, liabilities and contingent liabilities of the acquiree, which were stated at fair value as at the date of the acquisition as required by IFRS 3.

The separate financial statements include the separate statement of the financial position, separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity, separate statement of cash flows and explanatory notes.

The separate financial statements cover the period ended 31 March 2018 and contains comparatives for the period ended 31 March 2017.

The separate financial statements are presented in Czech crowns (“CZK”), and all values, unless stated otherwise, are presented in CZK thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements as disclosed in section C 3.5.

ADOPTION OF CHANGES TO STANDARDS

The Company has not changed its accounting policies as a result of standards and interpretations adopted by the European Union effective for the reporting periods starting from 1 January 2018. The Company has not early-adopted any standard.

In May 2014, the International Accounting Standards Board (“IASB”) issued IFRS 15 - Revenue from Contracts with Customers which was subsequently endorsed by the European Union in September 2016. IFRS 15 establishes a framework for determining whether, how much and when revenue is recognised from contracts with customers. IFRS 15 supersedes existing standards and interpretations related to revenue. It defines a new five-step model to recognise revenue from customer contracts. The standard does not have effect on accounting of revenues in the Company.

In July 2014, the IASB issued IFRS 9 – Financial Instruments which was subsequently endorsed by the EU in November 2016. The standard addresses the accounting principles for the financial reporting of financial assets and financial liabilities, including classification, measurement, impairment, derecognition and hedge accounting. The standard contains three classification categories: measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL) and eliminates the existing IAS 39 categories: loans and receivables, held to maturity and available for sale. It is mandatory for the accounting period beginning on 1 January 2018. The Company has assessed the impact of IFRS 9 and concluded that it does not have a material effect on the financial statements.

IFRS 16 Leases – the new standard will be applied for the accounting period beginning on 1 January 2019. The Company is in the process of assessing the impact of the standard which is likely to result in changes to EBITDA and finance cost but is not expected to have a material impact on profit before tax. In addition, there is expected to be an increase in property, plant and equipment with a corresponding increase in liabilities as applicable leases are brought onto the balance sheet.

Other new standards and amendments are not relevant to the Company or will not have material effect on its financial statements.

3.2. FUNCTIONAL AND PRESENTATION CURRENCY

The separate financial statements are presented in Czech crowns (CZK), which is the Company’s functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES



3.3. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities expressed as at the balance sheet date in foreign currencies are translated using the closing exchange rate announced by the Czech National Bank for the end of the reporting period, and all foreign exchange gains or losses are recognized in profit or loss under:

- operating income and expense – for trading operations,
- finance income and costs – for financial operations.

Non-monetary assets and liabilities carried at historical cost expressed in a foreign currency are stated at the historical exchange rate as at the date of the transaction. Non-monetary assets and liabilities carried at fair value expressed in a foreign currency are translated at the exchange rate as at the date on which they were remeasured to the fair value.

The following exchange rates were used for the preparation of the financial statements:

Closing exchange rates	31.3.2018	31.12.2017	31.3.2017
CZK/EUR	25.430	25.540	27.030
CZK/PLN	6.040	6.114	6.395
CZK/RUB	0.359	0.368	0.448
CZK/USD	20.641	21.291	25.282
CZK/HRK	3.421	3.439	3.630

Average exchange rates	1.1.2018 - 31.3.2018	1.1.2017 - 31.12.2017	1.1.2017 - 31.3.2017
CZK/EUR	25.402	26.330	27.020
CZK/PLN	6.078	6.185	6.254
CZK/RUB	0.363	0.401	0.432
CZK/USD	20.669	23.382	25.378
CZK/HRK	3.415	3.528	3.619

3.4. ACCOUNTING METHODS

The accounting methods based on which the present financial statements have been prepared have not changed compared to the methods used in the annual separate financial statements for the twelve-month period ended 31 December 2017.

3.5. SIGNIFICANT ESTIMATES

Since some of the information contained in the separate financial statements cannot be measured precisely, the Company's management must perform estimates to prepare the separate financial statements. Management verifies the estimates based on changes in the factors taken into account at their calculation, new information or past experiences. For this reason, the estimates made as at 31 March 2018 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of goodwill and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Impairment of investments in subsidiaries and associates	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Income tax	Assumptions used to recognise deferred income tax assets.

3.6. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

The Board of Directors approved the present separate financial statements for publication on 15 May 2018.

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS



4.1. SEGMENT INFORMATION

The Board of Directors of the Company, as the chief decision maker, does not use segment results of the Company, neither in the decision-making process nor in the allocation of resources and assessment of the performance.

4.2. EXPENSES BY NATURE

Expenses by nature	3M18 CZK'000	3M17 CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	9 782	16 256
Employee benefits expenses (i)	69 236	52 661
Consumption of materials and energy	2 039	2 198
Services	34 333	34 040
Rental costs	2 072	1 804
Taxes and fees	577	885
Insurance costs	396	148
Change in allowances	-	-
Other costs/(income)	584	397
Total expenses by nature*	119 019	108 389
Reconciliation of expenses by nature to expenses by function	119 019	108 389
Selling, marketing and distribution costs	50 321	44 616
Administrative costs	57 014	53 904
Costs of products and services sold	11 684	9 869
Total costs of products sold, merchandise and materials, sales costs and administrative costs	119 019	108 389

* excluding Other operating income, Other operating expenses and Impairment

(i) Employee benefits expenses

Employee benefits expenses	3M18 CZK'000	3M17 CZK'000
Salaries	50 623	38 556
Social security and other benefit costs	9 420	2 871
Pension benefit plan expenses	9 193	11 234
Total employee benefits expenses	69 236	52 661

4.3. OTHER OPERATING INCOME

Other operating income	3M18 CZK'000	3M17 CZK'000
Received penalties and damages	-	-
Other	163	577
Total other operating income	163	577

4.4. OTHER OPERATING EXPENSES

Other operating expenses	3M18 CZK'000	3M17 CZK'000
Net loss from disposal of non-financial assets	97	-
Provided donations, sponsorship	515	150
Paid penalties and damages	-	-
Total other operating expenses	612	150

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

4.5. FINANCE INCOME

Finance income	3M18 CZK'000	3M17 CZK'000
Interest from:		
– bank deposits	-	1
– credits and loans granted	2 861	2 341
Exchange gains	-	8 834
Gain from revaluation of derivatives	-	3 305
Gain from guarantees	173	447
Total finance income	3 034	14 928

4.6. FINANCE COSTS

Finance costs	3M18 CZK'000	3M17 CZK'000
Interest from:		
– bank loans and credits, finance lease and bonds	15 245	12 317
Exchange losses	730	-
Bank costs and charges	1 716	543
Loss from termination of derivatives	1 160	-
Total finance costs	18 850	12 860

4.7. INCOME TAX

4.7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the three-month period ended 31 March 2018 and 31 March 2017 were as follows:

Income tax expense	3M18 CZK'000	3M17 CZK'000
Current income tax		-
Deferred income tax	(1 415)	3 446
Related to arising and reversing of temporary differences	(1 415)	3 446
Related to tax losses	-	-
Income tax expense/(benefit)	(1 415)	3 446

The income tax rate applicable to the Company in 2018 and 2017 income is 19%.

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS



4.8. EARNINGS PER SHARE

The basic earnings per share ratio is calculated by dividing the profit for the period attributable to owners of Kofola ČeskoSlovensko a.s. by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share ratio is calculated by dividing the profit for the period attributable to ordinary shareholders (after deducting the interest on redeemable preferred shares convertible to ordinary shares) by the weighted average number of ordinary shares outstanding during the period (adjusted by the effect of diluting options and own shares not subject to dividends).

Data relating to the profits and shares used to calculate basic and diluted earnings per share are presented below:

	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(40 029)	(18 705)
	3M18 pcs	3M17 pcs
Weighted average number of ordinary shares for EPS calculation	22 295 000	22 295 000
Effect of own shares	(2 421)	(2 108)
Weighted average number of ordinary shares used to calculate basic earnings per share	22 292 579	22 292 892
Dilution adjustments	-	-
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	22 292 579	22 292 892

Based on the above information, the basic and diluted earnings per share amounts to:

Basic earnings per share (CZK/share)	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(40 029)	(18 705)
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22 292 579	22 292 892
Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)	(1.80)	(0.84)
Diluted earnings per share (CZK/share)	3M18 CZK'000	3M17 CZK'000
Loss for the period attributable to owners of Kofola ČeskoSlovensko a.s.	(40 029)	(18 705)
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share (pcs)	22 292 579	22 292 892
Diluted earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK)	(1.80)	(0.84)

4.9. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries Name of entity	Ownership interest		Cost		Carrying amount	
	31.3.2018 %	31.12.2017 %	31.3.2018 CZK'000	31.12.2017 CZK'000	31.3.2018 CZK'000	31.12.2017 CZK'000
Alofok Ltd.	100.00%	100.00%	354 450	354 450	68 531	68 531
Hoop Polska Sp. z o.o.	100.00%	100.00%	2 460 176	2 460 176	872 209	872 209
Kofola a.s. (CZ)	100.00%	100.00%	197 498	197 498	197 498	197 498
Kofola a.s. (SK)	100.00%	100.00%	51 023	51 023	51 023	51 023
LEROS, s.r.o.	100.00%	n/a	111 111	n/a	111 111	n/a
Premium Rosa Sp.z o.o.	100.00%	100.00%	68 160	68 160	68 160	68 160
RADENSKA d.o.o.	100.00%	100.00%	1 324 280	1 324 280	1 324 280	1 324 280
SANTA-TRANS s.r.o.	100.00%	100.00%	8 760	8 760	8 760	8 760
UGO Trade s.r.o.	90.00%	90.00%	154 401	154 401	154 401	154 401
Option scheme (Kofola a.s. (SK))	n/a	n/a	590	590	590	590
Total investment in subsidiaries			4 730 449	4 619 338	2 856 563	2 745 452

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS



4.10. PROPERTY, PLANT AND EQUIPMENT

In the reporting period of three-months ended 31 March 2018, the additions to tangible assets were of CZK 2 306 thousand. The most significant additions were purchases of cars, computers and low-cost equipment.

The investment projects realised by the Company in 3M17 comprise primarily low-cost equipment.

4.11. INTANGIBLE ASSETS

The Goodwill arose on merger with Pinelli spol. s r.o. Amortisation of trademarks and other rights is charged to Selling, marketing and distribution costs.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Citrocola, Semtex and Erektus.

In the reporting period of three-months ended 31 March 2018, the additions to intangible assets were of CZK 1 791 thousand. The most significant addition was update of SAP.

In the reporting period of three-months ended 31 March 2017, the additions to intangible assets were of CZK 1 802 thousand. The most significant additions were purchases of software licence.

4.12. BONDS

On 4 October 2013, according to the resolution of the Board of Directors from 12 August 2013, amended on 25 September 2013, KOFOLA S.A. issued 110 pieces of bonds denominated in Czech crowns with total nominal value of CZK 330 000 thousand.

Bonds issued:

- were not subject to public offering,
- were offered in private placements through underwriters, i.e. Česká spořitelna a.s. and PPF banka a.s., based on a subscription agreement from 3 October 2013,
- nominal value of one bond was CZK 3 000 000,
- issue price of one bond represented 99.0% of the nominal value,
- maturity of bonds was 60 months from the date of issue, i.e. 4 October 2018,
- interest shall be calculated annually, the end of the first interest period was planned for 4 October 2014,
- interest rate – 12M PRIBOR plus a margin of 415 basis points,
- purpose of the bond issue was to obtain funds which will be used primarily to diversify the sources of financing and refinance part of the existing debt of the Group.

Bonds issued have been put on the regulated market of the Prague Stock Exchange, the first listing took place on 7 October 2013.

Own bonds issued	Currency	31.3.2018 CZK'000	31.12.2017 CZK'000	Interest terms	Maturity date
Bonds issued KOFOLA VAR/18	CZK	336 800	332 513	12M PRIBOR + margin	10/2018
Bonds issued total		336 800	332 513		

INDEBTEDNESS OF THE COMPANY FROM ISSUED BONDS

As at 31 March 2018, the Company has a liability from issued bonds in the total amount of CZK 336 800 thousand. Liabilities from interests and obligations from bonds maturing in October 2018 are disclosed in current liabilities. In 2018, the bonds will be refinanced by a bank loan.

Terms and conditions of the issued bonds were met.

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

4.13. BANK CREDITS AND LOANS

INDEBTEDNESS OF THE COMPANY FROM THE CREDITS AND LOANS

As at 31 March 2018, the Company's total bank loans and credits amounted to CZK 2 254 942 thousand.

The new Facility loan agreement (which refinanced current loans and a loan for financing RADENSKA d.o.o. acquisition) with carrying amount of CZK 2 152 784 thousand as at 31 March 2018 is a main component of Company's liabilities. The reason for the execution of the Facility loan agreement was a consolidation of group financing to ensure strategic development, taking advantage of the favourable conditions of financial market and reduction of total financial cost.

CREDIT TERMS AND TERMS AND CONDITIONS

Based on credit agreements, the Company is required to meet specified covenants. Credit agreements ended in the current reporting period have been extended for the next periods. In accordance with the requirements of IAS 1, a breach of credit terms that may potentially limit unconditional access to credits in the nearest year makes it necessary to classify such liabilities as current.

All bank loan covenants were met.

4.14. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2018 the Company provided the following guarantees for other entities:

Entity providing guarantees	Entity receiving guarantees	Currency	Guarantee amount FCY'000	Guarantee amount CZK'000	Guarantee period	Guarantees provided for	Relationship
Kofola	Unicredit Bank a.s.	EUR	3 597	91 472	12/2022	Santa-Trans.SK s.r.o.	third party*
ČeskoSlovensko a.s.	City-Arena PLUS a.s.	EUR	7	178	8/2020	UGO Trade s.r.o.	subsidiary
Total guarantees issued				91 9509			

* The fair value of the guarantees is close to zero (fair valuation in level 3).

4.15. FINANCIAL INSTRUMENTS

4.15.1 FINANCIAL INSTRUMENTS CATEGORIES

Fair value of Trade receivables, Other financial receivables, Cash and cash equivalents, Trade liabilities and Other financial liabilities is close to carrying amounts since the interest payable on them is either close to market rates or they are short-term.

31.3.2018	Financial assets at amortised cost	Derivatives at fair value through other comprehensive income	Financial liabilities at amortised cost	Total
	CZK'000	CZK'000	CZK'000	CZK'000
Trade and other financial receivables	1 510 960	-	-	1 510 960
Cash and cash equivalents	2 395	-	-	2 395
Derivatives (i)	-	(7 335)	-	(7 335)
Bank credits and loans	-	-	(2 254 942)	(2 254 942)
Bonds issued	-	-	(336 800)	(336 800)
Trade and other financial payables	-	-	(57 072)	(57 072)
Total	1 513 355	(7 335)	(2 648 814)	(1 142 794)

(i) Fair value of derivatives

The Company has concluded interest rate swap. These derivatives are classified as cash flow hedges accounted for at fair value through other comprehensive income.

Measured derivatives are not traded in active markets, however all significant inputs required for fair value measurement are observable and as such the Company has included this instrument in Level 2 of fair value hierarchy levels.

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

31.12.2017	Financial assets at amortised cost	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
	CZK'000	CZK'000	CZK'000	
Trade and other financial receivables	1 360 824	-	-	1 360 824
Cash and cash equivalents	12 765	-	-	12 765
Derivatives (ii)	-	4 620	-	4 620
Bank credits and loans	-	-	(1 995 599)	(1 995 599)
Bonds issued	-	-	(332 513)	(332 513)
Trade and other financial payables	-	-	(56 509)	(56 509)
Total	1 373 589	4 620	(2 384 621)	(1 006 412)

(ii) Fair value of derivatives

The Company had concluded interest rate swap. These derivatives were classified as held for trading and accounted for at fair value through profit or loss.

Measured derivatives are not traded in active markets, however all significant inputs required for fair value measurement are observable and as such the Company has included this instrument in Level 2 of fair value hierarchy levels.

4.16. RELATED PARTY TRANSACTIONS

4.16.1 SHAREHOLDERS STRUCTURE

Share capital structure	31.3.2018			31.12.2017		
	Name of entity	Number of shares	% in share capital	% in voting rights	Number of shares	% in share capital
AETOS a.s.	15 159 204	68.00	71.58	15 159 204	68.00	71.58
CED GROUP S. a r.l.	4 673 445	20.96	22.07	4 673 445	20.96	22.07
RADENSKA d.o.o.	1 114 109	5.00	0.00	1 114 109	5.00	0.00
Others	1 348 242	6.04	6.35	1 348 242	6.04	6.35
Total	22 295 000	100.00	100.00	22 295 000	100.00	100.00

As of 31 March 2018, the ultimate controlling party is KSM Investment S.A., with registered office Rue de Neudorf 560A, L-2220 Luxembourg.

KSM Investment S.A. ("KSM"), René Musila and Tomáš Jendřejek restructured their shareholdings in Kofola ČeskoSlovensko a.s. ("Kofola") and transferred their shares in Kofola to AETOS a.s., a newly established wholly owned subsidiary of KSM. René Musila and Tomáš Jendřejek became shareholders of AETOS a.s. As of 10 August 2017, AETOS a.s. purchased 2 675 400 shares of Kofola representing 12 % of Kofola's share capital from CED GROUP S.à r.l. AETOS a.s., owned by the Samaras family and other founders owns 68 % of Kofola's shares as of 31 March 2018.

RADENSKA d.o.o. purchased in 2017 in a public tender offer 1 114 109 shares of the Company (which represents 5.0 % of the Company's share capital) in the total value of CZK 490 208 thousand (CZK 440 per share). In compliance with the relevant legal provisions, the voting rights attached to the shares owned by the Company and by RADENSKA d.o.o. cannot be exercised.

Subsequently, KSM intends to merge into AETOS a.s.

4.16.2 SUBSIDIARIES AND ASSOCIATES

Interests in subsidiaries and associates are set out in section 2.2.

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

4.16.3 REMUNERATION OF THE COMPANY'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration of Company's key management personnel in 3M18.

Remuneration of the Company's key management personnel	compensation	Members of the Company's Board of Directors	Members of the Company's Supervisory board	Members of the Company's Audit committee	Other key management personnel	Total
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Amounts paid for activities in the Company's Board of Directors	Financial	6 515	-	-	-	6 515
	Non-financial	236	-	-	-	236
Amounts paid for activities in the Company's Supervisory board	Financial	-	257	-	-	257
	Non-financial	-	-	-	-	-
Amounts paid for activities in the Company's Audit committee	Financial	-	-	36	-	36
	Non-financial	-	-	-	-	-
Amounts paid for other activities	Financial	-	773	-	2 394	3 167
	Non-financial	-	53	-	50	103

4.16.4 OTHER RELATED PARTY TRANSACTIONS

Presented below are the total amounts of transactions concluded with the Company's related parties:

Other related party transactions	Profit or loss impact		Balance as at	
	3M18		31.3.2018	
	Revenues*	Costs	Assets**	Liabilities
	CZK'000	CZK'000	CZK'000	CZK'000
Alofok Ltd	-	-	1 592	-
Hoop Polska Sp. z o.o.	3 746	(7)	264 572	(23)
Kofola a.s. (CZ)	44 983	(480)	630 567	(1)
Kofola a.s. (SK)	33 452	(1 168)	222 942	(11)
Premium Rosa Sp. z o.o.	-	-	30 763	-
RADENSKA d.o.o.	7 989	-	181 434	-
SANTA-TRANS s.r.o.	357	(82)	21 981	(8)
Studenac, d.o.o.	1 684	-	13 530	(5 412)
UGO trade s.r.o.	1 641	(8)	74 036	-
OOO Megapack	-	-	118	-
Total	93 852	(1 745)	1 441 535	(5 455)

* including financial revenues

** including Loans provided to related parties (described below)

Other related party transactions	Profit or loss impact		Balance as at	
	2017		31.12.2017	
	Revenues*	Costs	Assets**	Liabilities
	CZK'000	CZK'000	CZK'000	CZK'000
Alofok Ltd.	-	-	1 200	-
Hoop Polska Sp. z o.o.	13 598	(3 522)	260 275	-
Kofola a.s. (CZ)	186 366	-	574 850	-
Kofola a.s. (SK)	157 693	(18 042)	145 258	-
Premium Rosa Sp. z o.o.	-	-	30 944	-
RADENSKA d.o.o.	34 010	(800)	179 644	-
Radenska, d.o.o. (HR)	25	-	-	-
SANTA-TRANS s.r.o.	1 373	(766)	21 791	(152)
Studenac d.o.o.	11 938	(5 436)	11 839	(5 436)
UGO trade s.r.o.	10 360	(68)	69 934	(3)
Total	415 363	(28 634)	1 295 735	(5 591)

* including financial revenues

** including Loans provided to related parties (described below)

4. NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS



Receivables from Loans provided to related parties	31.3.2018		31.12.2017	
	Long-term CZK'000	Maturity	Long-term CZK'000	Maturity
Alofok Ltd.	1 144	9/2019	766	9/2019
Hoop Polska Sp. z o.o.	255 679	12/2020	255 679	12/2020
Kofola a.s. (CZ)	355 373	12/2020	355 373	12/2020
Kofola a.s. (CZ)	134 608	8/2024	134 608	8/2024
Kofola a.s. (SK)	169 146	8/2024	80 491	8/2024
Premium Rosa Sp. z o.o.	30 200	12/2022	30 570	12/2022
RADENSKA d.o.o.	114 769	12/2020	114 769	12/2020
SANTA-TRANS s.r.o.	20 035	12/2020	20 035	12/2020
SANTA-TRANS s.r.o.	1 754	8/2024	1 754	8/2024
UGO trade s.r.o.	54 961	12/2020	54 961	12/2020
Total	1 137 669		1 049 006	

Interest rates from loans provided to related parties are concluded at market terms and fixed. The loans are not pledged. Loans provided to related parties are connected with the new Facility loan agreement which refinanced current loans and a loan for financing RADENSKA d.o.o. acquisition. The reason for the execution of the Facility Loan Agreement was a consolidation of Group financing. Current bank loans in Company's subsidiaries were repaid and refinanced by a loan from the Company. All transactions with related parties have been concluded at market terms.

4.17. ACQUISITION OF SUBSIDIARY

ACQUISITION OF SUBSIDIARY LEROS

On March 13, 2018, the Company concluded an agreement to purchase a 100% stake in LEROS, s.r.o., producer of high quality products from medicinal plants and quality natural teas. The acquisition is described in section B 4.19.

4.18. SUBSEQUENT EVENTS

No events have occurred after the end of the reporting period that would require adjusting the amounts recognised and disclosures made in the separate financial statements.

STATUTORY DECLARATION AND APPROVAL FOR PUBLICATION



STATUTORY DECLARATION OF PERSONS RESPONSIBLE FOR THE INTERIM REPORT OF KOFOLA ČESKOSLOVENSKO A.S.

To the best of our knowledge, the 3M18 interim report of Kofola ČeskoSlovensko a.s. gives a true and fair view of the financial position, business activities and financial performance of Kofola ČeskoSlovensko a.s. and its group for the three-month period ended 31 March 2018 and of the outlook for future development of the financial position, business activities and financial performance.

The 3M18 interim report was approved for publication on 15 May 2018.

15.5.2018	Janis Samaras	Chairman of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
15.5.2018	René Musila	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
15.5.2018	Tomáš Jendřejek	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
15.5.2018	Daniel Buryš	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
15.5.2018	Jiří Vlasák	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
15.5.2018	Marián Šefčovič	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>

