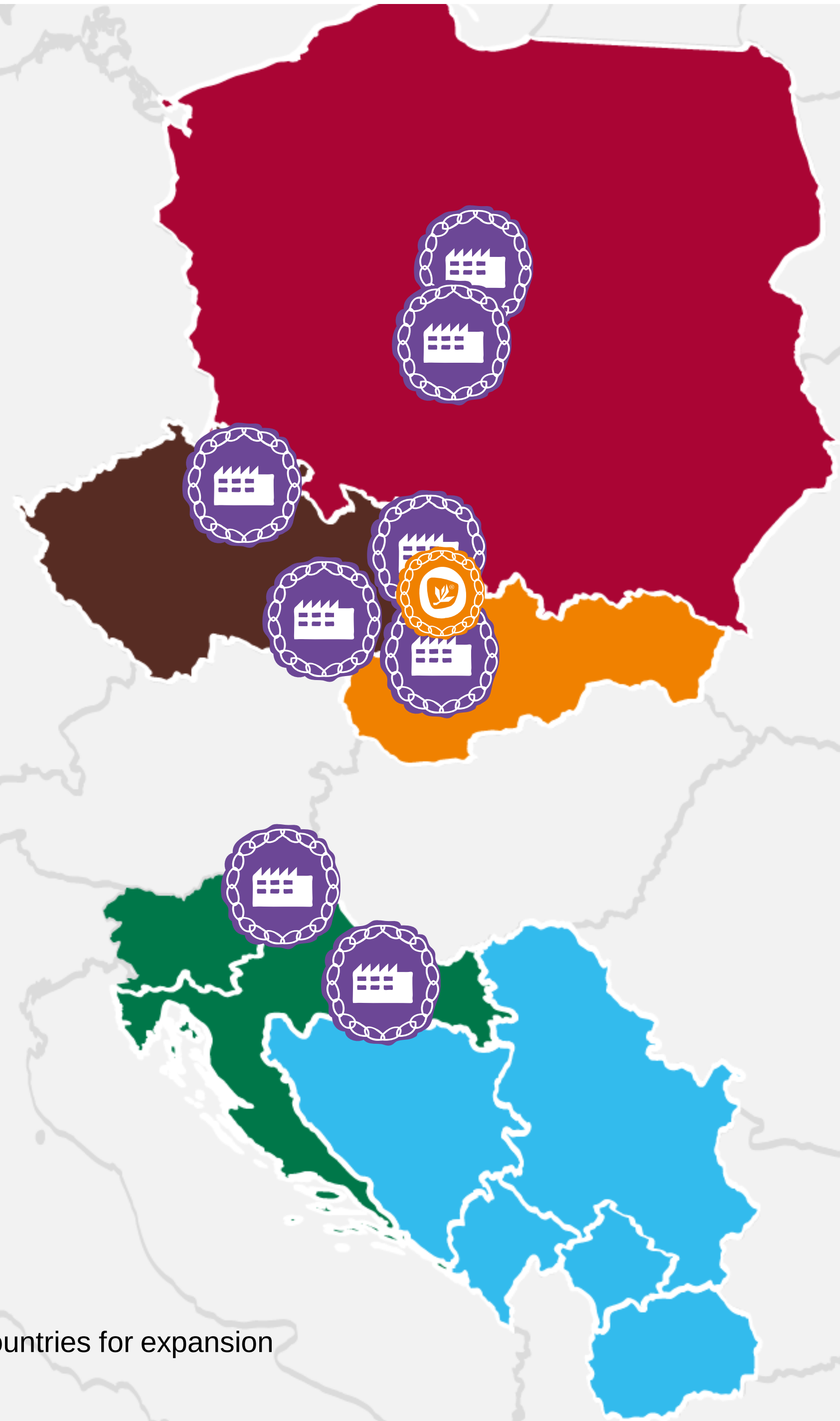
kofola ČeskoSlovensko

3M2018 RESULTS

Investor presentation

15 May 2018



countries for expansion

The Kofola Group

One of the most significant producers of non-alcoholic beverages in CEE and SEE

Revenues 3M18: € 56.5M
EBITDA 3M18: € 3.8M

8 production plants

2,182* employees

EUR/CZK ex. rate: 25.402
* as of 31 December 2017

Kofola Group in figures

CZECHIA

- **No. 2 player** in the soft drinks market
- **No. 1 syrup brand**

SLOVAKIA

- **No. 1 player** in the soft drinks market both in Retail & HoReCa
- **35% HoReCa market share**

SLOVENIA

- **No. 1 player in the soft drinks market**
- **No. 1 water brand** in both Retail & HoReCa

CROATIA

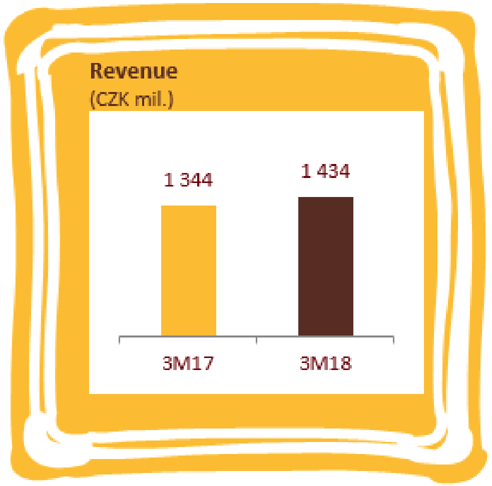
- **No. 2 water brand**
- **No. 2 syrup brand**

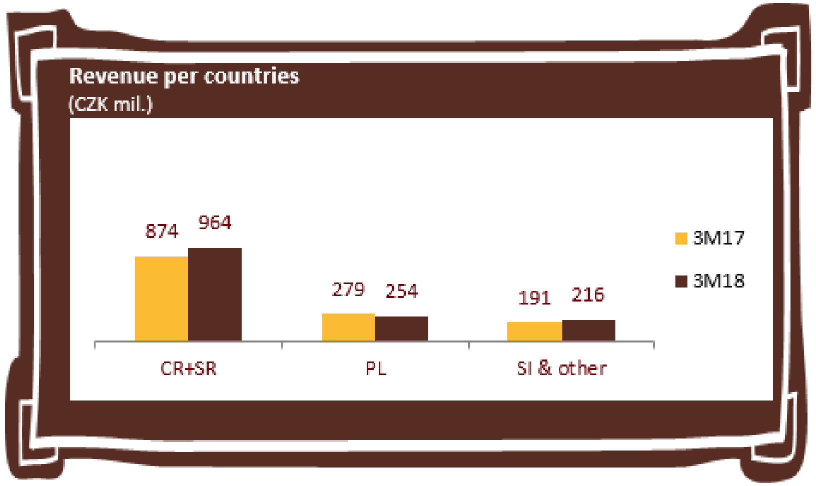
POLAND

- **No. 2 syrup brand**
- **No. 3 cola brand**
- Leading private label soft drinks producer

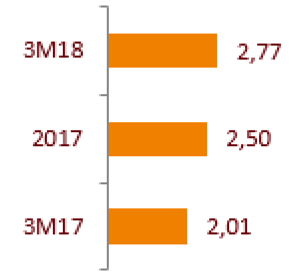
Source: AC Nielsen (value) - for market shares
HoReCa: hotel, restaurant, café

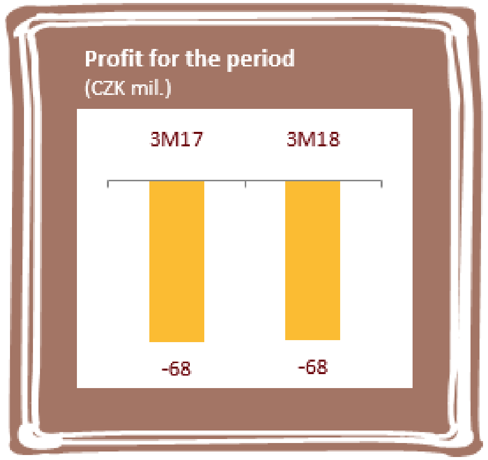
Kofola Group Key 3M Highlights*

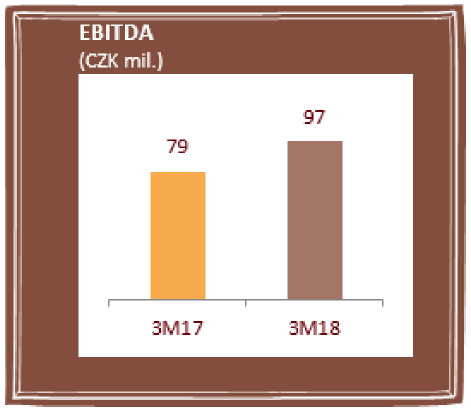


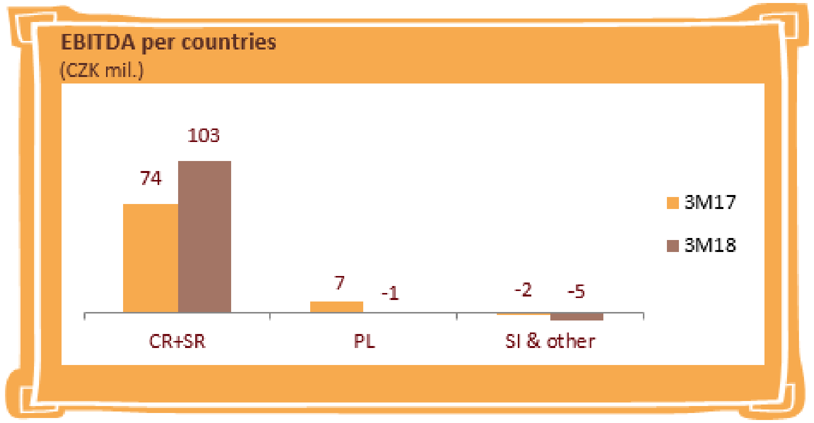


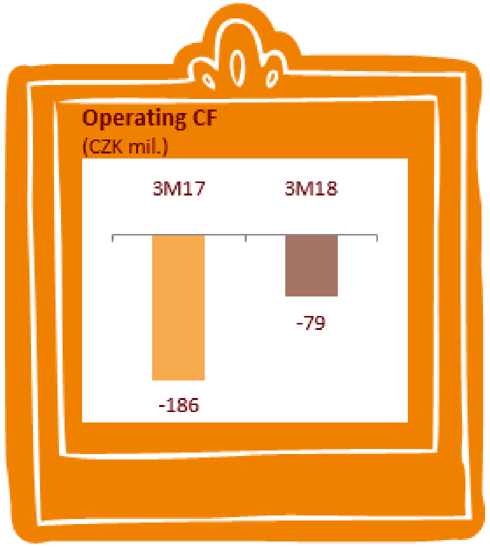
Net debt / EBITDA











* adjusted for one-offs

Results of Kofola Group - 3M18

Reconciliation of reported and adjusted results	Reported CZK mil.	One-offs CZK mil.	Adjusted CZK mil.
Revenue	1 434.0	-	1 434.0
Cost of sales	(894.3)	-	(894.3)
Gross profit	**539.7**	**-**	**539.7**
Selling, marketing and distribution costs	(479.6)	-	(479.6)
Administrative costs	(104.0)	4.3	(99.8)
Other operating income/(expense), net	1.0	1.4	2.4
Operating result	**(42.9)**	**5.7**	**(37.3)**
EBITDA	**91.6**	**5.6**	**97.3**
Finance costs, net	(27.5)	-	(27.5)
Income tax	(3.4)	-	(3.4)
Profit for the period	**(73.7)**	**5.7**	**(68.1)**
- attributable to shareholders of the parent	(72.5)	5.6	(66.8)

One-offs:

- Net other operating income from the sale of production lines in Poland of CZK 4.6 mil.
- Costs connected with maintenance of closed Bielsk Podlaski plant of CZK 2.1 mil. (in Polish segment).
- Costs connected with maintenance of closed Grodzisk Wielkopolski plant and other restructuring costs of CZK 3.9 mil. (in Polish segment).
- Acquisition costs – Czech operation incurred costs of CZK 4.3 mil.

Group Results Comparison 3M*

Results comparison	3M18 CZK mil.	3M17 CZK mil.	Change CZK mil.	Change %
Revenue	1 434.0	1 343.5	90.4	6.7%
Cost of sales	(894.3)	(873.3)	(21.0)	2.4%
Gross profit	**539.7**	**470.2**	**69.4**	**14.8%**
Selling, marketing and distribution costs	(479.6)	(440.8)	(38.7)	8.8%
Administrative costs	(99.8)	(88.2)	(11.6)	13.1%
Other operating income, net	2.4	1.1	1.3	118.8%
Operating result	**(37.3)**	**(57.7)**	**20.4**	**(35.5%)**
EBITDA	**97.3**	**79.0**	**18.3**	**23.2%**
Finance costs, net	(27.5)	(12.8)	(14.6)	113.9%
Income tax	(3.4)	2.1	(5.4)	(263.2%)
Profit for the period	**(68.1)**	**(68.4)**	**0.4**	**(0.6%)**
- attributable to shareholders of the parent	(66.8)	(67.5)	0.6	(0.9%)

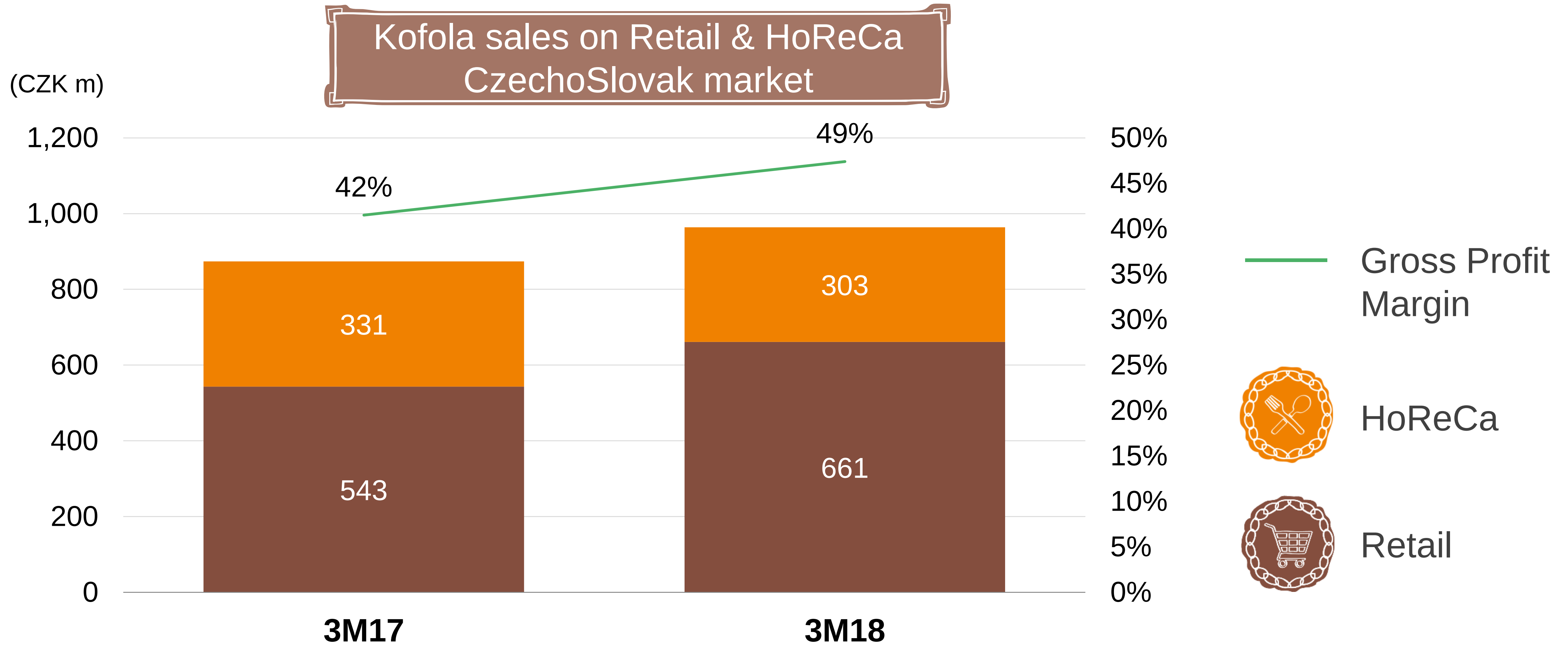
The Group´s revenue without Poland increased by CZK 116 mil. (10.9%).

- Revenue grew in all segments except Poland. Main increase in Czechia, thanks to Kofola, Rauch, Vinea and increased sales in Ugo. Sales in the Adriatic region increased by 17.2 %.
- Increase of CoS driven by Cost of goods - due to increased sales of Rauch.
- Increased selling costs in CzechoSlovakia (mainly marketing), Ugo (selling O/H including personnel costs), partly compensated by lower costs in Poland.
- Increased admin costs mainly in Ugo.
- Increased finance costs due to higher FX losses.

* adjusted for one-offs

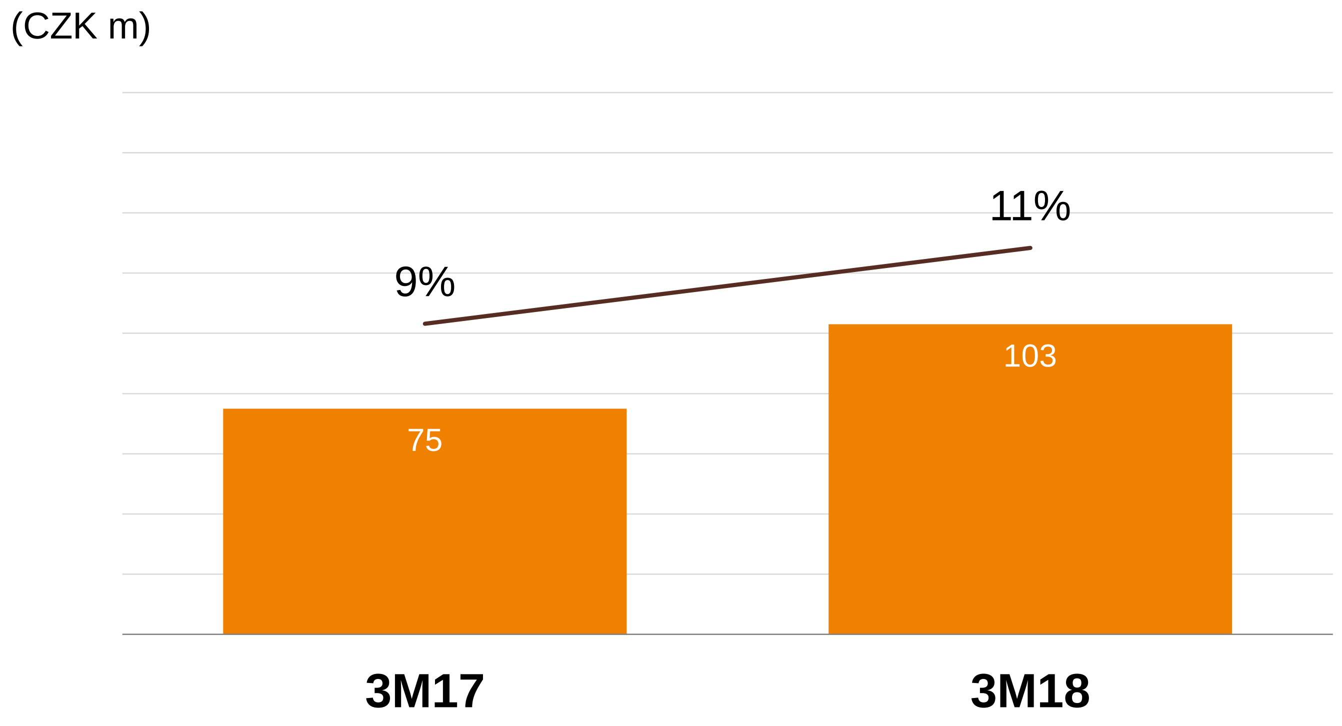
Country Overview

CZ & SK: Solid results & strong brands position



Key CzechoSlovak segment: high EBITDA share

Adjusted EBITDA & EBITDA margin



- 3M18 EBITDA margin influenced by decreased prices of sugar and very good sales of Kofola and Rauch. Lower sales support and maintenance costs.

Share in group's EBITDA: 106%

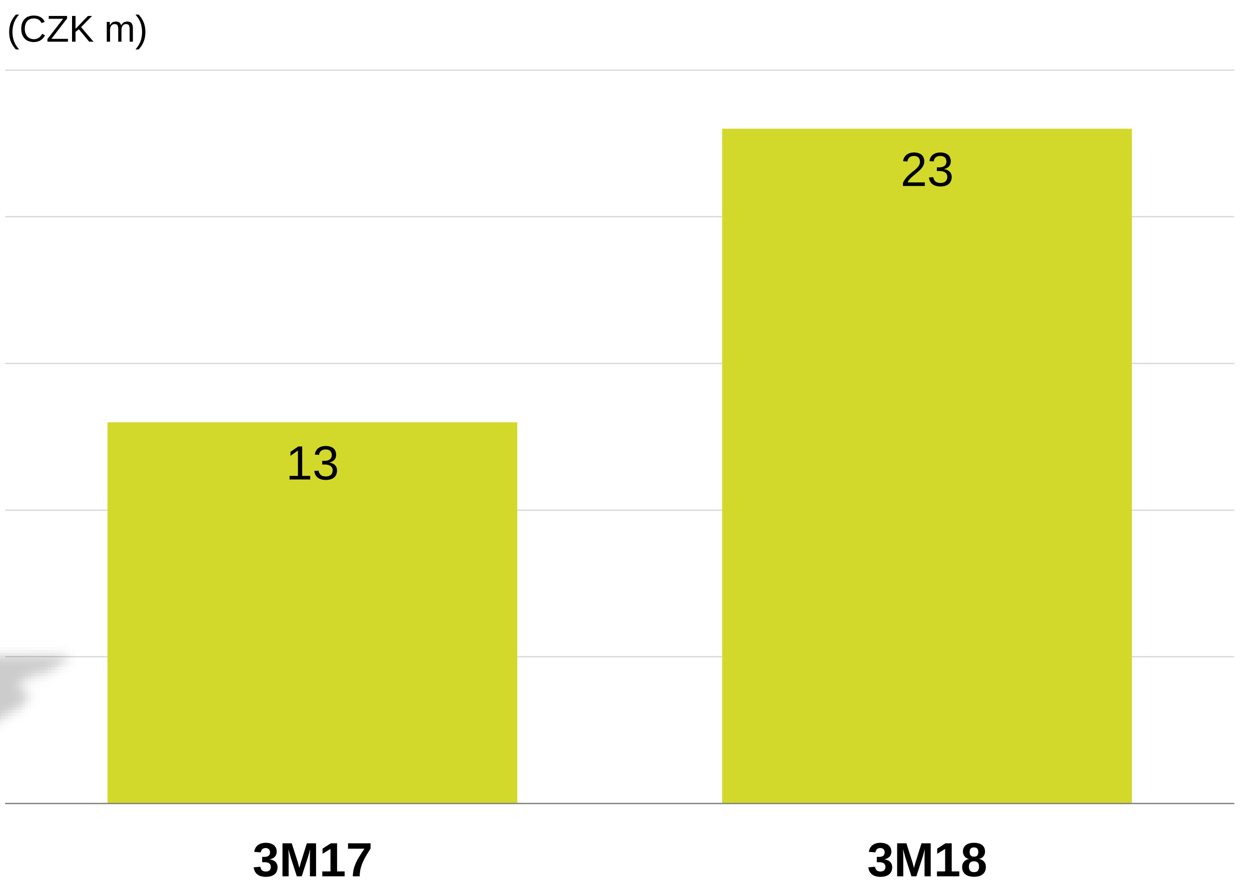
Fresh juice concept commited to a healthy lifestyle

Ugo sales + Ugo franchise sales*

Highest number of bars in CEE

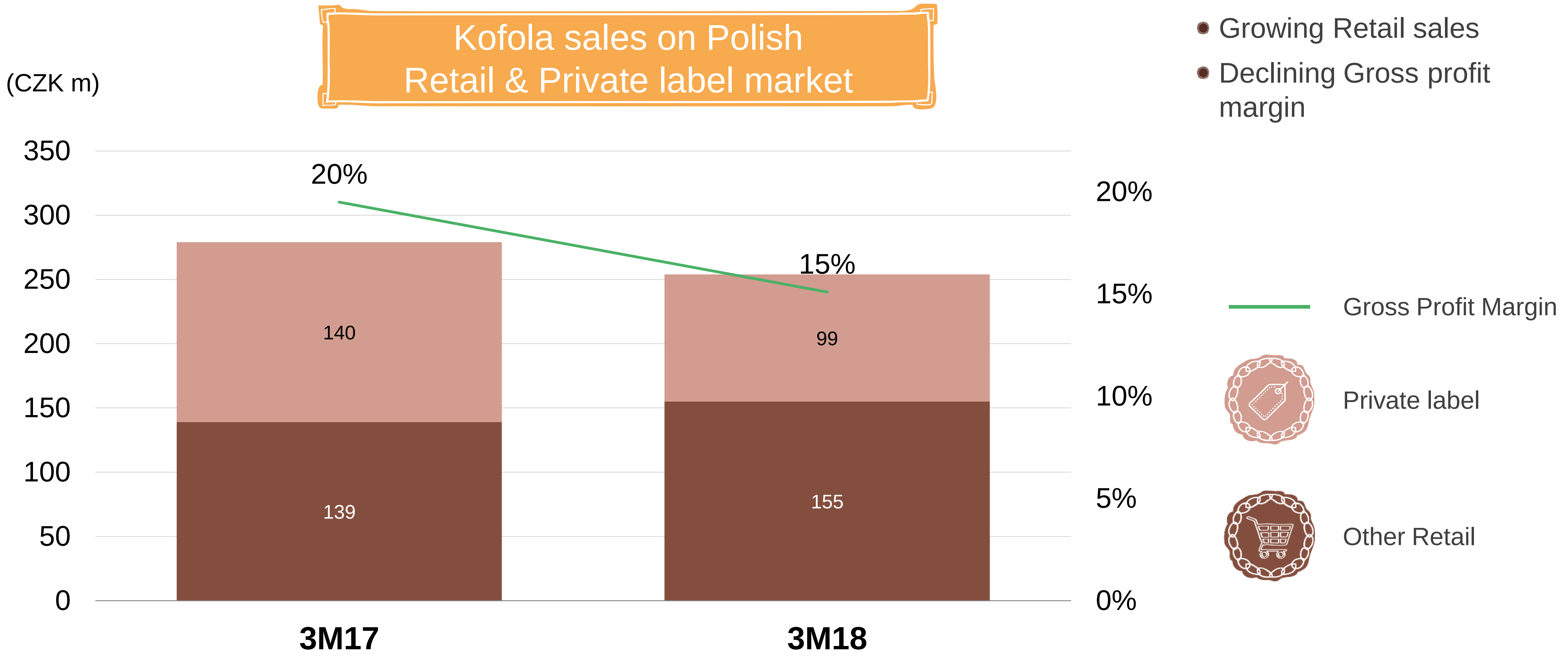
* not included in the Group´s results

Excellent growth of Ugo bottles sales



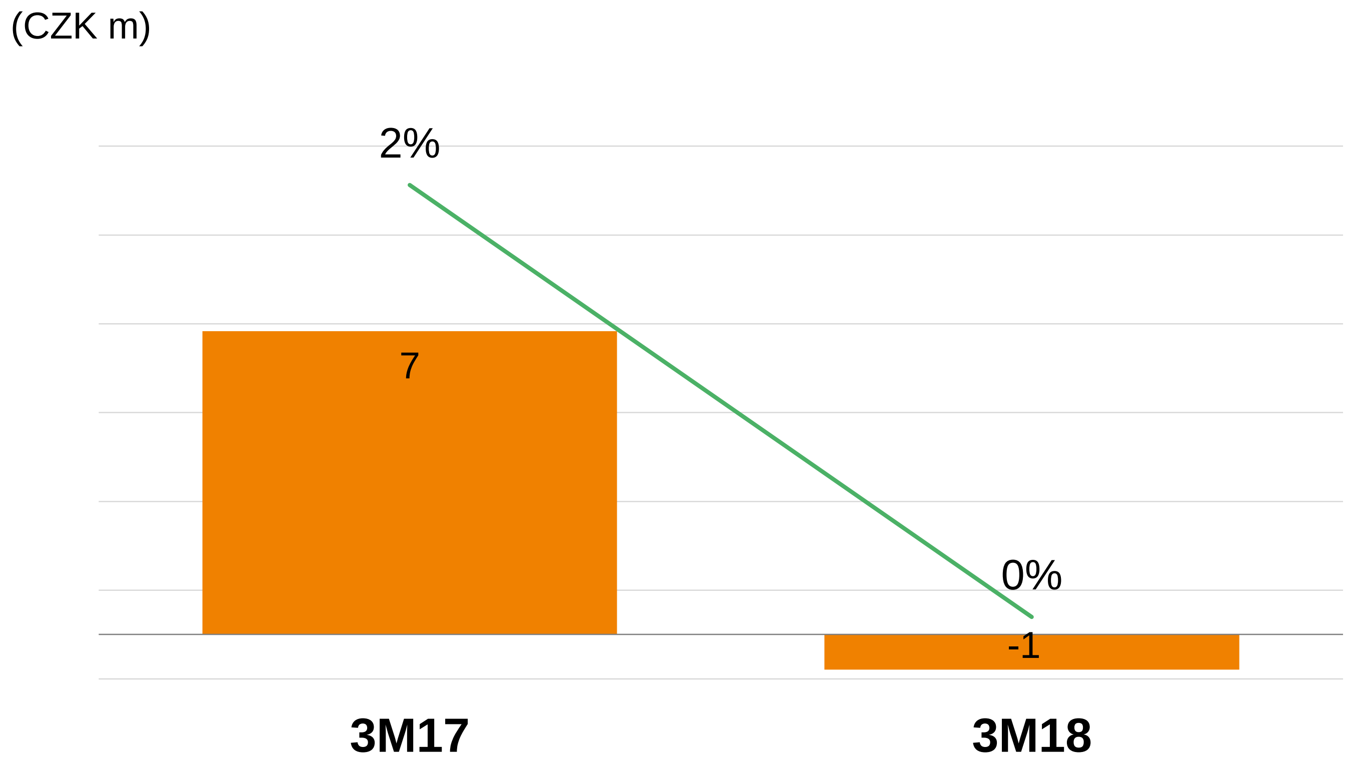
Polish market: Decreasing share of Private labels

- Growing Retail sales
- Declining Gross profit margin



EBITDA margin decrease

Adjusted EBITDA & EBITDA margin



- Consolidation of Polish production capacities to 1 production plant in Kutno will lead to cost reductions. A production plant (Grodzisk Wielkopolski) was closed at YE2017.

Share in group's EBITDA: -0.8 % (3M17: 8.7 %)

New Polish strategy - project up to 2018

- Experienced management with commercial background and focus on results improvement.
- Production efficiency optimization with focus on own brands, supported by private labels.
- Lower sales but standard profitability (10%).
- Concentration of production in one plant (Kutno), the most modern plant in the group.
- Distribution of Nestea – from 2018.
- Need to fill in the portfolio, own brands are not sufficient, we actively search for new acquisitions.

NESTEA®

Strong brand acquisition is a must

Strategic option - HOOP EXIT

- A contingency plan assumes **divestment of the HOOP** business in 2018
- Our **successful acquisition Premium Rosa** will be integrated with LEROS – a new healthy segment

HOOP exit effect on Kofola Group:

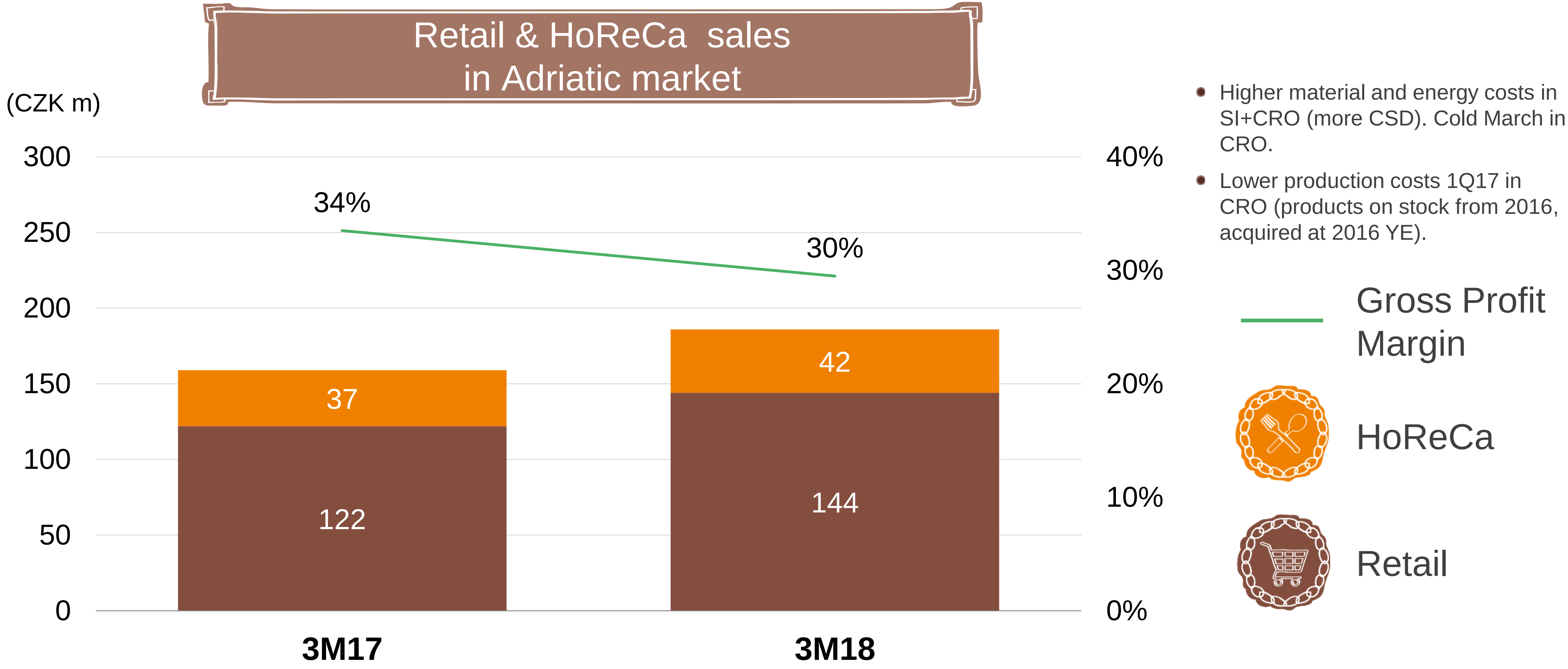
- 17% **decrease** of Kofola Group sales
- **No real effect on EBITDA** performance
- **Dividend** distribution availability risk

Group Results 12M* - without HOOP	12M17 CZK mil.	12M16 CZK mil.	Change CZK mil.	Change %
Revenue	5 761.0	5 262.5	498.5	9.5%
EBITDA	**938.2**	**931.1**	**7.1**	**0.8%**

Group Results 12M* - with HOOP	12M17 CZK mil.	12M16 CZK mil.	Change CZK mil.	Change %
Revenue	6 963.3	6 999.0	(35.7)	(0.5%)
EBITDA	**950.2**	**1 064.4**	**(114.2)**	**(10.7%)**

** adjusted for one-offs*

Adriatic market: Developing strong brands

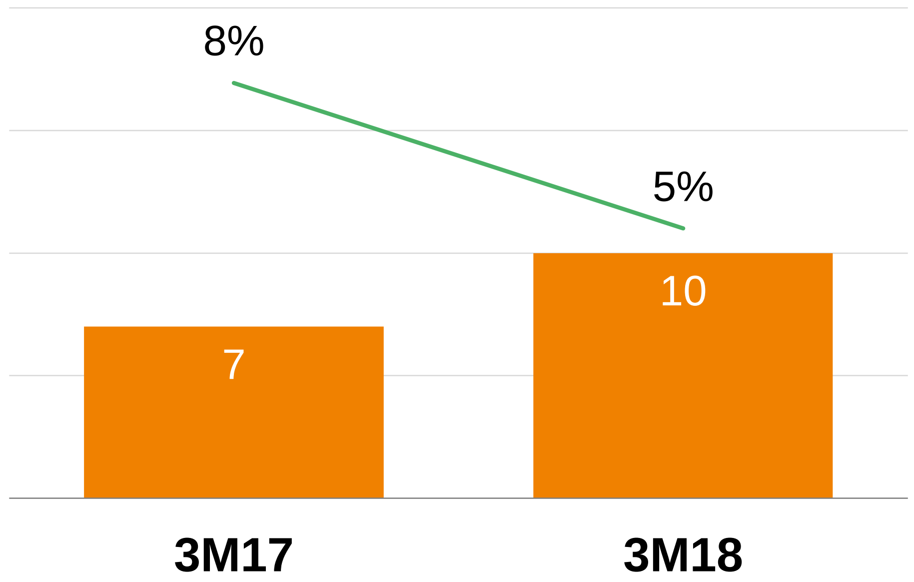


- Higher material and energy costs in SI+CRO (more CSD). Cold March in CRO.
- Lower production costs 1Q17 in CRO (products on stock from 2016, acquired at 2016 YE).

Radenska: Slovenian market leader

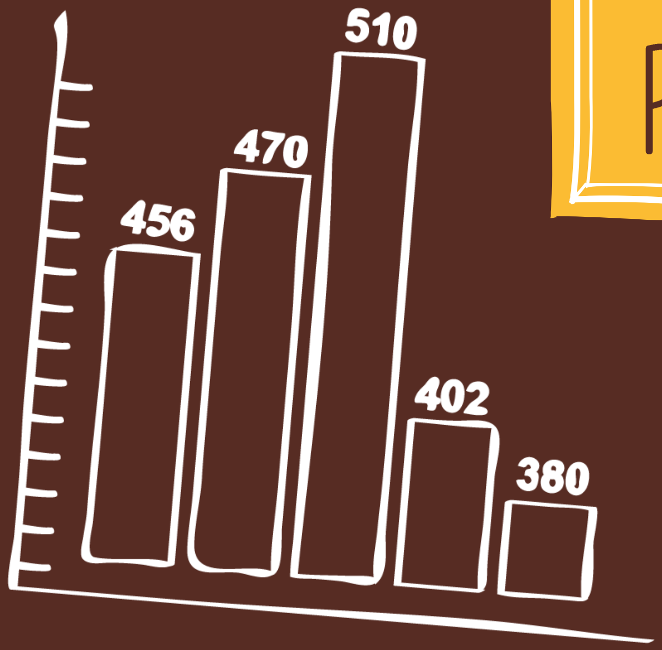
Adjusted EBITDA & EBITDA margin

(CZK m)

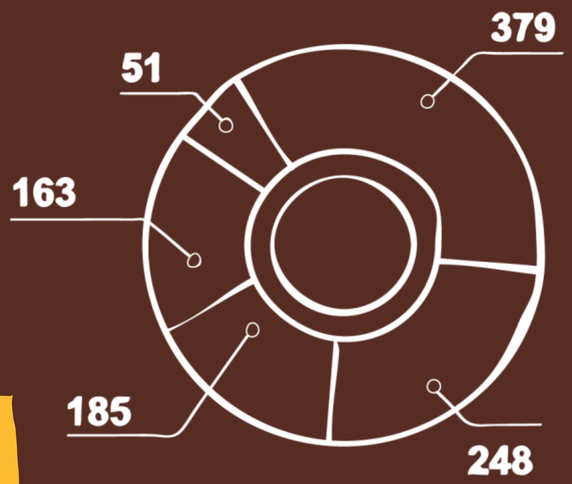


- Lower EBITDA margin due to changed portfolio – more CSD – higher material costs. Higher energy costs.

Share in group's EBITDA: 10.6 %

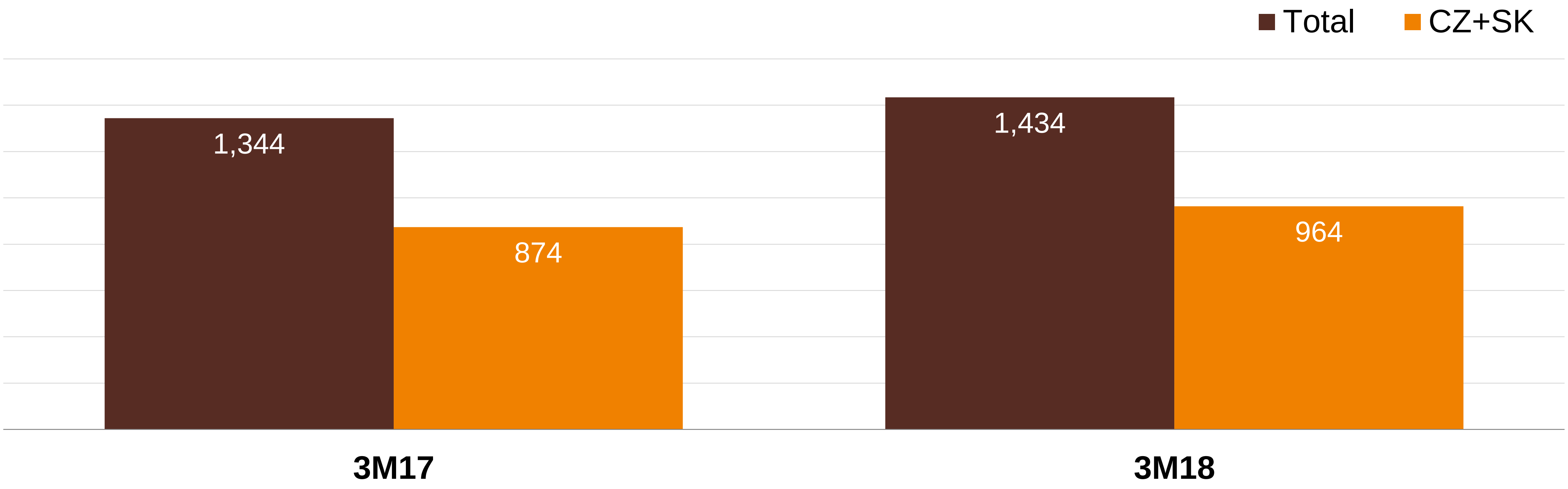


Consolidated Financial Performance Indicators



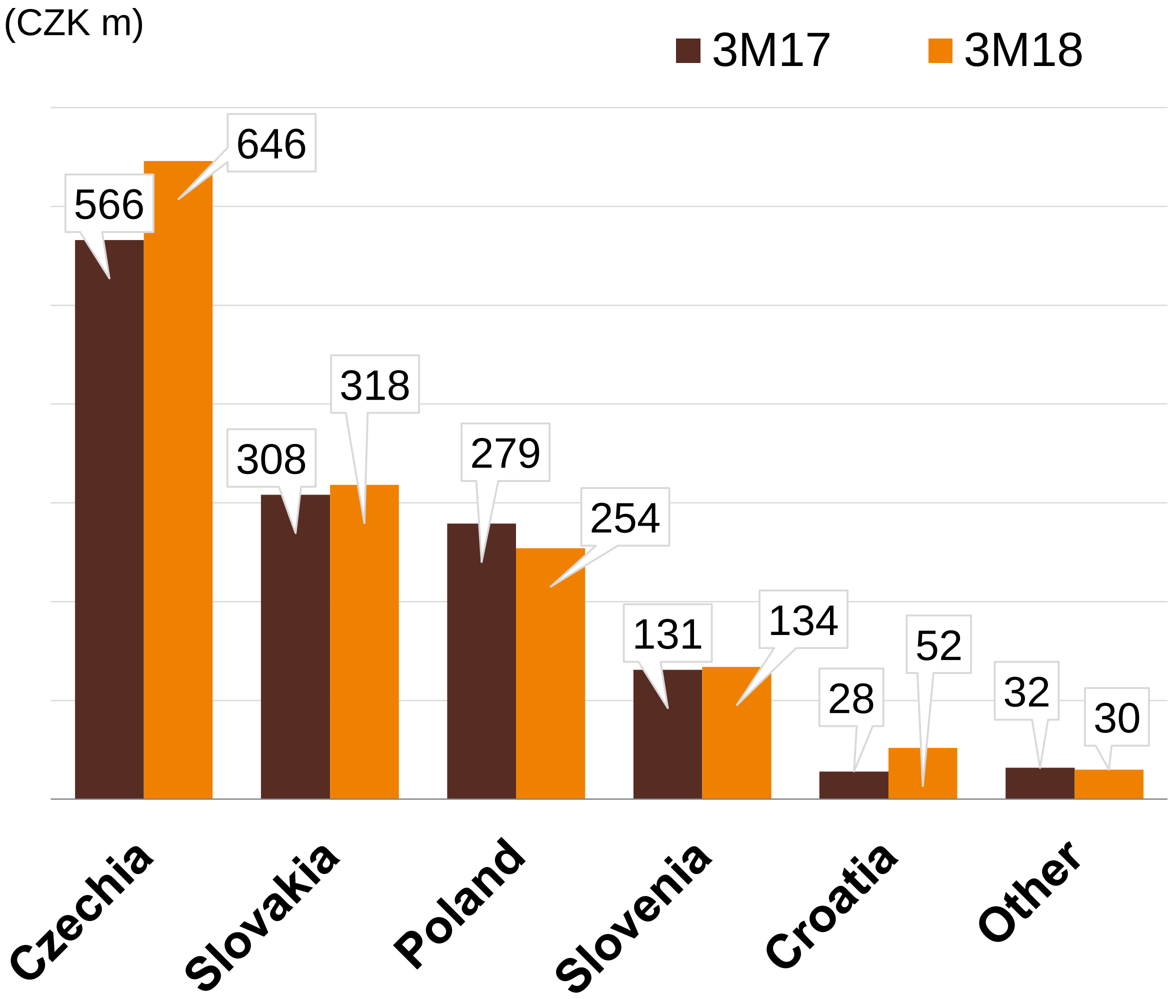
Consolidated Revenues

(CZK m)



- 10.3 % growth of sales in CzechoSlovakia
- 6.7 % growth of sales in Group

Geographical segment sales (MCZK)



- **Czech Republic**
  Revenues increased by 14.0 %, due to increased sales of Kofola, Rauch and Vinea. UGO increased revenue by 32.4%.

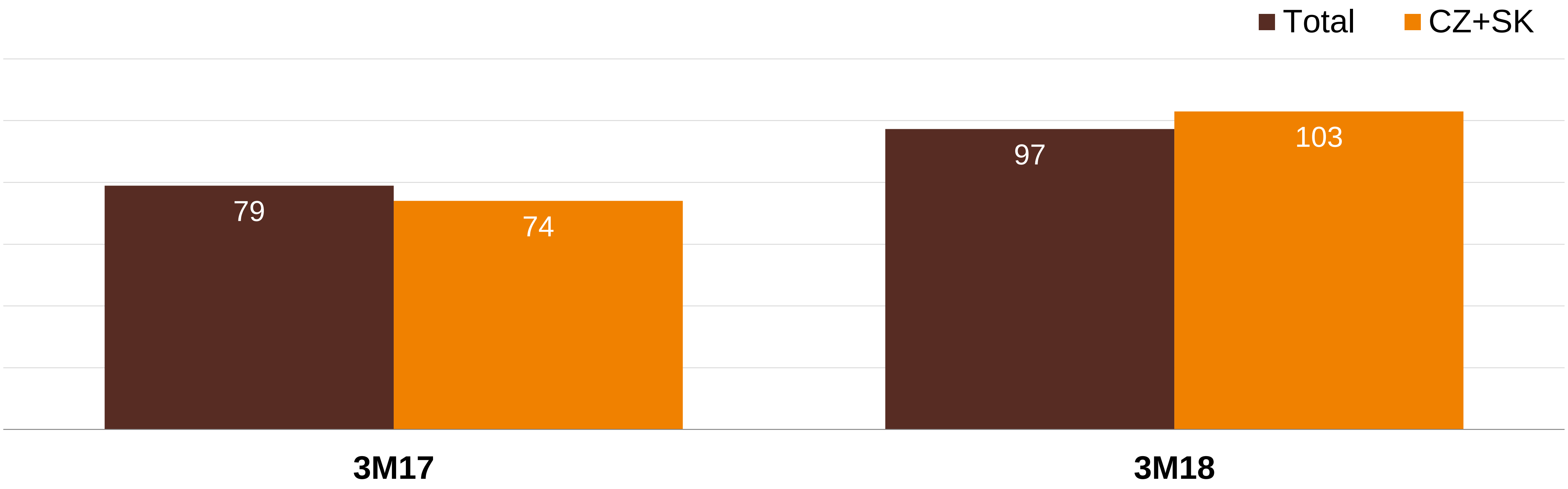
- **Slovakia**
  Revenues growing by 3.4%, keeping leading position in both Retail and HoReCa segment in terms of market share. Sales in our most profitable HoReCa and Impulse channels grew, Impulse by 10 %. Increased sales of both Rauch and Kofola brands.

- **Poland**
  Revenue decreased by 9.1%, mainly due to lower sales of private labels.

- **Adriatic region**
  Adriatic segment shown increased revenue by 17.2%, also thanks to acquisition of Studenac – growing sales of Pepsi and brand Radenska in Croatia (post-acquisition synergies).

Consolidated adjusted EBITDA

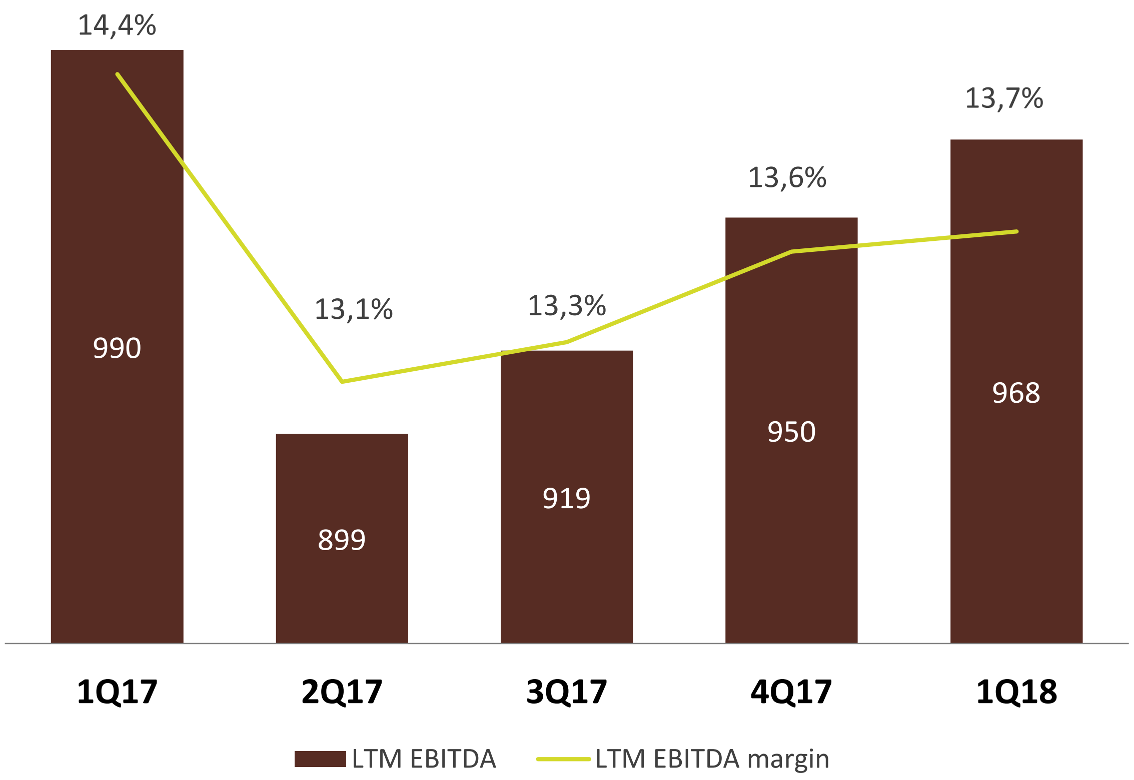
(CZK m)



Increased EBITDA in all segments except Poland. EBITDA achieved by the Group in Poland decreased as a result of decreased sales mainly of private labels.

Consolidated adjusted LTM (Last Twelve Months) EBITDA

(CZK m)



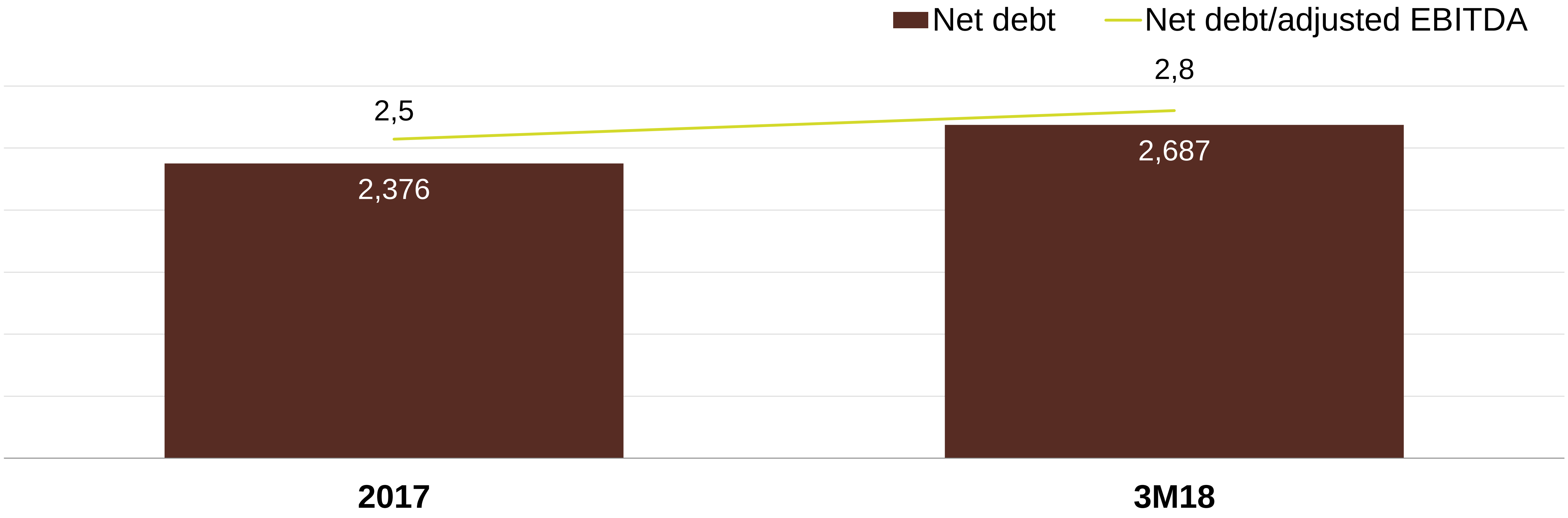
CZK ´000 000	1Q17	2Q17	3Q17	4Q17	1Q18
LTM Revenue	6 876	6 866	6 927	6 963	7 054
LTM Gross profit	2 741	2 762	2 808	2 829	2 909
LTM EBITDA*	990	899	919	950	968
LTM EBITDA margin	14.4%	13.1%	13.3%	13.6%	13.7%

IMPROVING PERFORMANCE IN LAST QUARTERS

* adjusted for one-offs

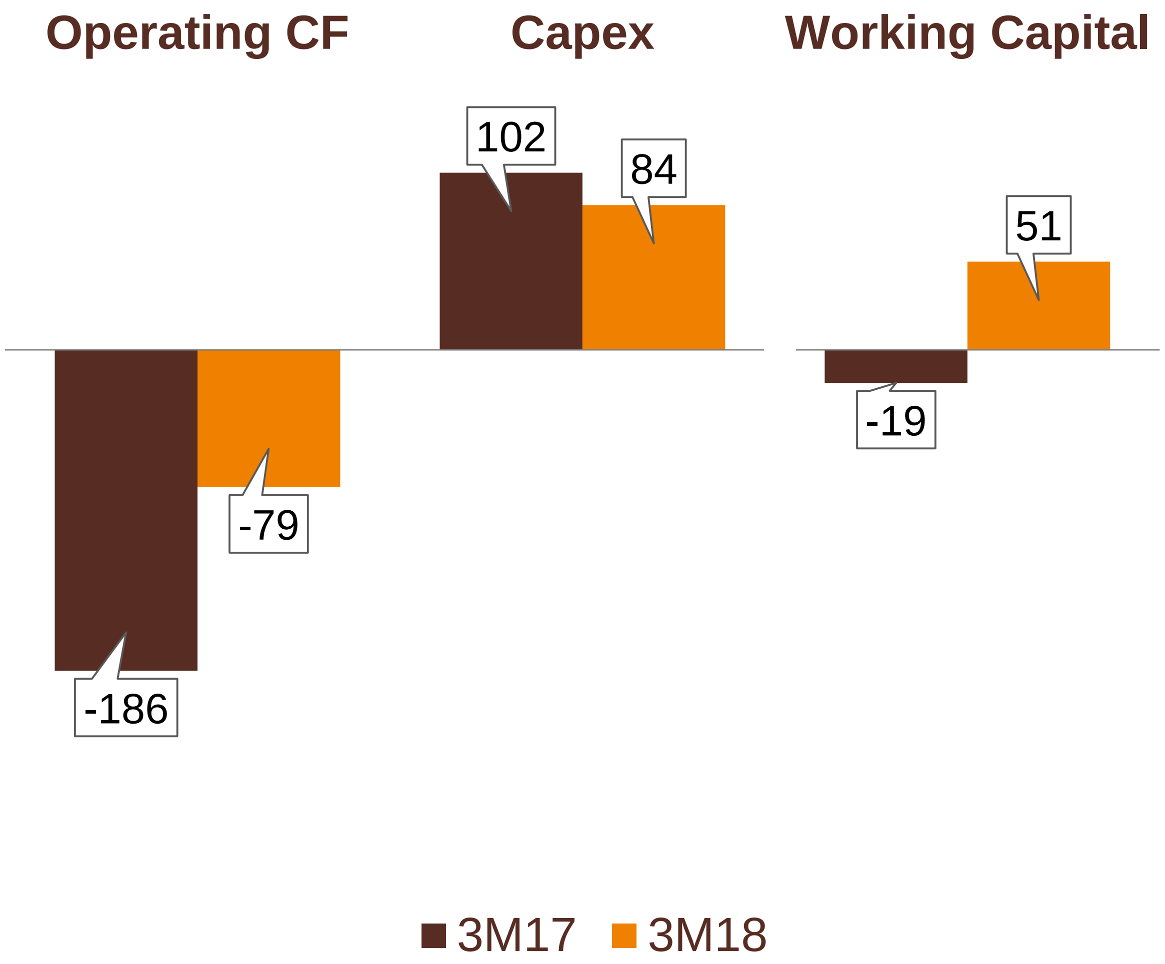
Consolidated NET DEBT

(CZK m)



- Healthy Net debt/adj. EBITDA (<3).
- Decrease of cash in 3M18 due to purchase of subsidiary LEROS.

Operating cash flow, Capex and Working Capital (CZK mil.)



- Operating CF increased, thanks to positive working capital changes 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).

- Decrease of Capex – LY capex influenced by modernization of production line in Slovenia.

- Increase of working capital influenced by the increase of trade receivables mainly in CzechoSlovakia and dividend receivable from Russian associate (CZK 18 mil.)

Revenue of Kofola Group in ´000 liters

CZECHIA	2013	2014	2015	2016	2017	3M17	3M18
Retail	186 947	190 038	210 960	213 657	199 119	38 428	46 471
HoReCa	55 320	57 658	64 736	71 490	72 928	14 630	16 028
Total	242 267	247 696	275 696	285 147	272 047	53 058	62 499

SLOVAKIA	2013	2014	2015	2016	2017	3M17	3M18
Retail	121 820	127 242	141 721	150 052	149 189	36 167	37 943
HoReCa	36 036	35 247	40 466	42 945	43 717	12 368	12 741
Total	157 856	162 489	182 187	192 997	192 906	48 535	50 684

POLAND	2013	2014	2015	2016	2017	3M17	3M18
Private Label	411 171	391 994	368 155	290 163	206 751	45 301	34 833
Other Retail	167 870	146 145	126 704	109 585	87 387	21 645	19 306
Total	579 041	538 139	494 859	399 748	294 138	66 946	54 189

ADRIATIC	2015	2016	2017	3M17	3M18
Retail	67 551	70 515	105 157	18 791	20 378
HoReCa	27 446	28 876	32 817	2 863	3 567
Total	94 997	99 391	137 974	21 654	23 945

Acquisitions 2018

- In March 2018 acquired LEROS – producer of high quality products from medicinal plants and quality natural teas.
- 40-year tradition, leading share in pharmacy channel.
- Together with Premium Rosa (acquired in 2017), Kofola will create another segment based on herbs and authentic healthy raw materials.
- Revenues in 2017 over CZK 130 mil.

Kofola INFO

History of successful acquisitions and development

1960

Establishment of the Kofola brand

2002

Acquisition of the Kofola brand and original recipe by predecessor of Kofola CZ

2003

HoReCa started in Czechia & Slovakia

2004

Rajec brand created internally by Kofola

2008

Acquisition of **Vinea** brand in Slovakia (most popular CSD in Slovakia)

2012

Acquisition of **Ugo** group (fresh juices)

2015-2016

Expansion into the Adriatic region

Acquisition of Radenska, No. 1 water producer in Slovenia

Acquisition of Studenac – no. 2 mineral water brand in Croatia

2017-2018

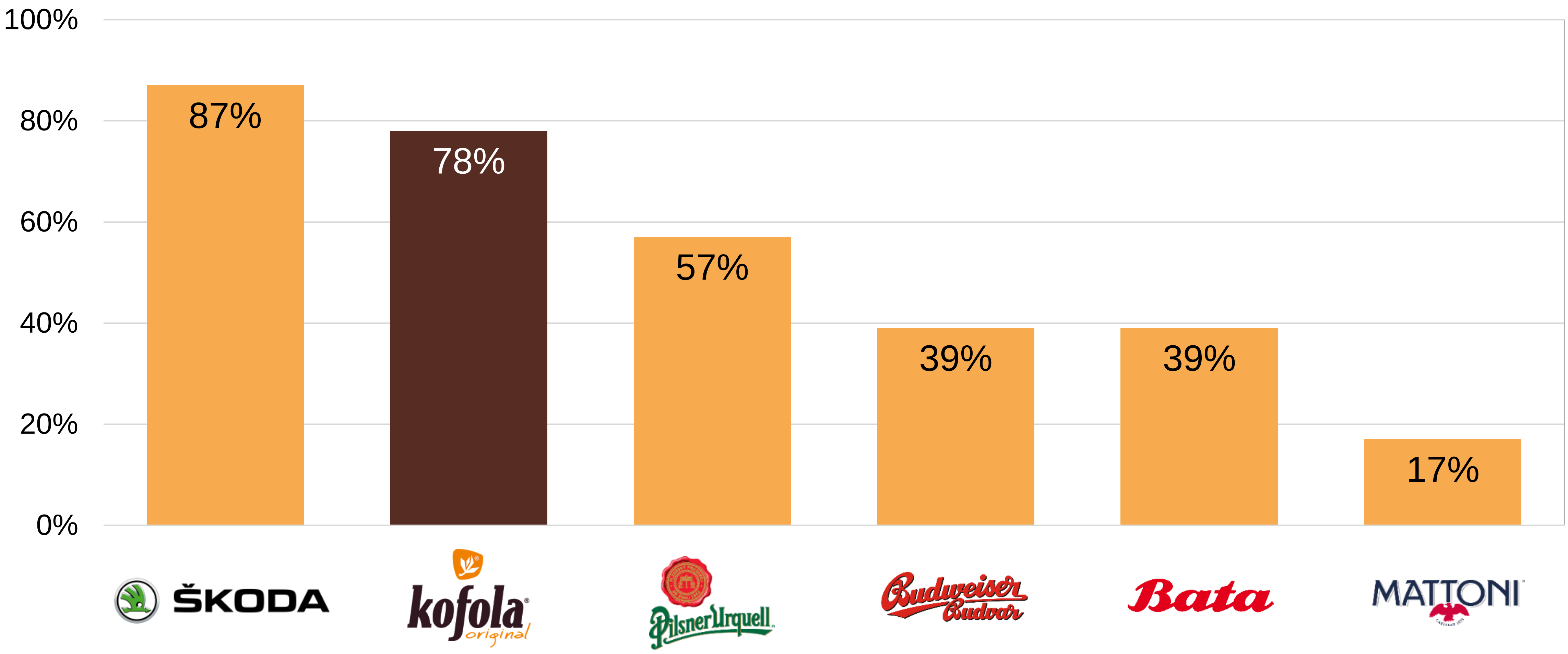
Take over of **Titbit** (no. 1 salad producer in Czechia).

Expansion into a new segment of healthy products

Acquisition of Premium Rosa in Poland

Acquisition of LEROS

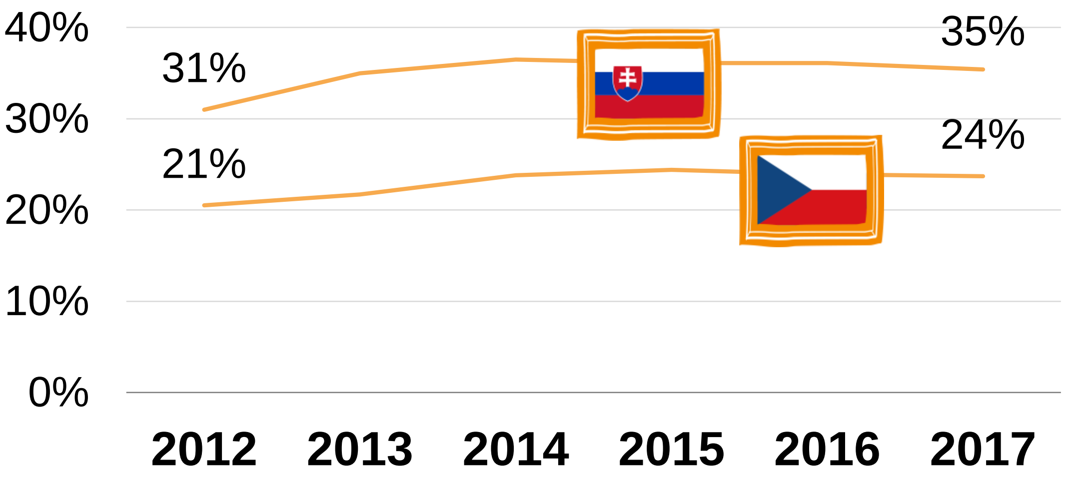
Kofola is 2nd best traditional Czech brand



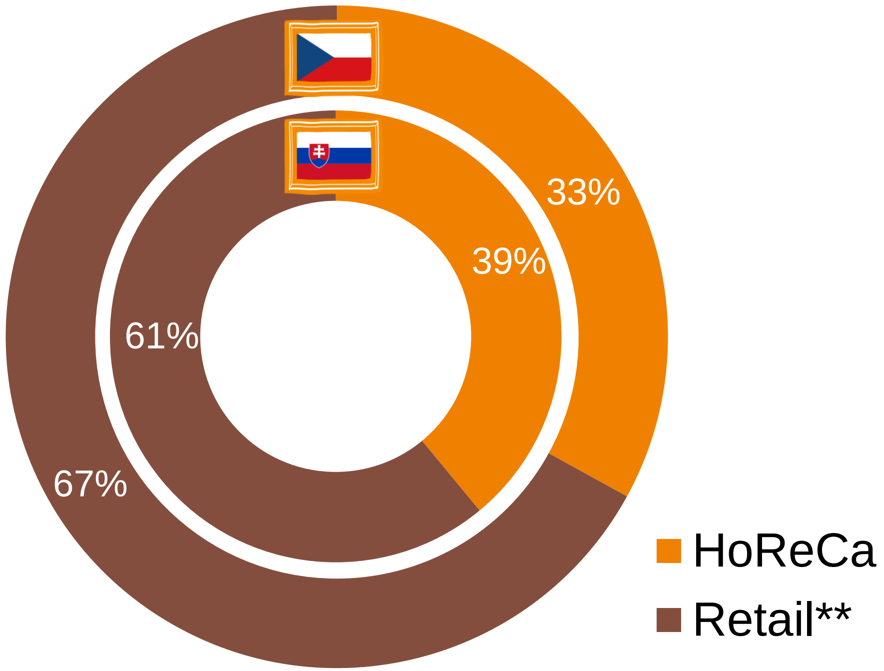
The complete portfolio of strong brands

HoReCa channel: An important part of our business

Kofola share in HoReCa channel*



Kofola HoReCa sales in total sales 2017



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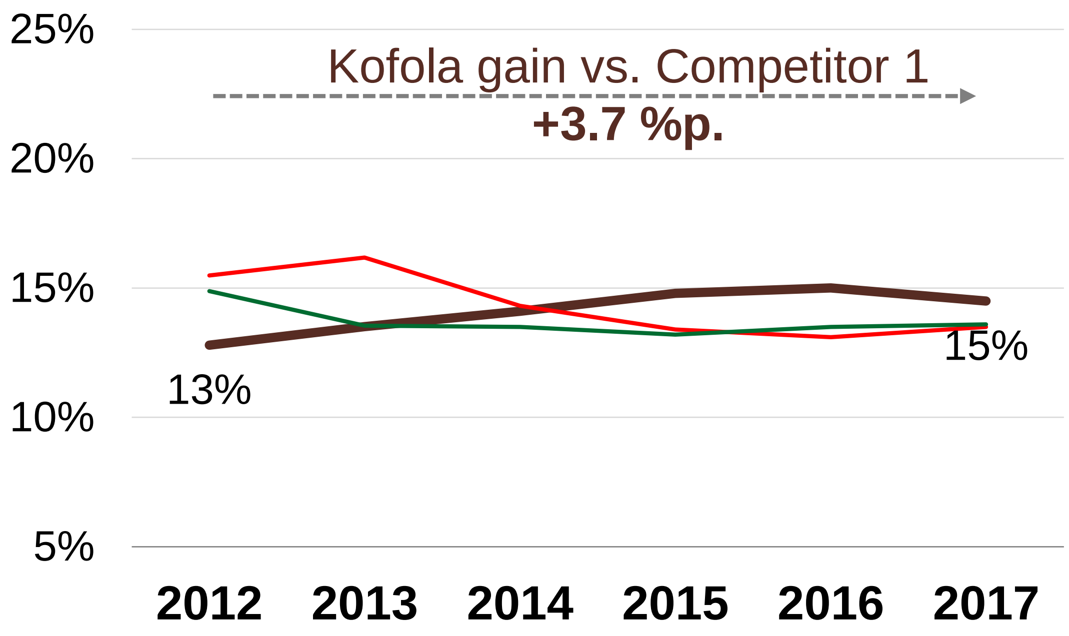
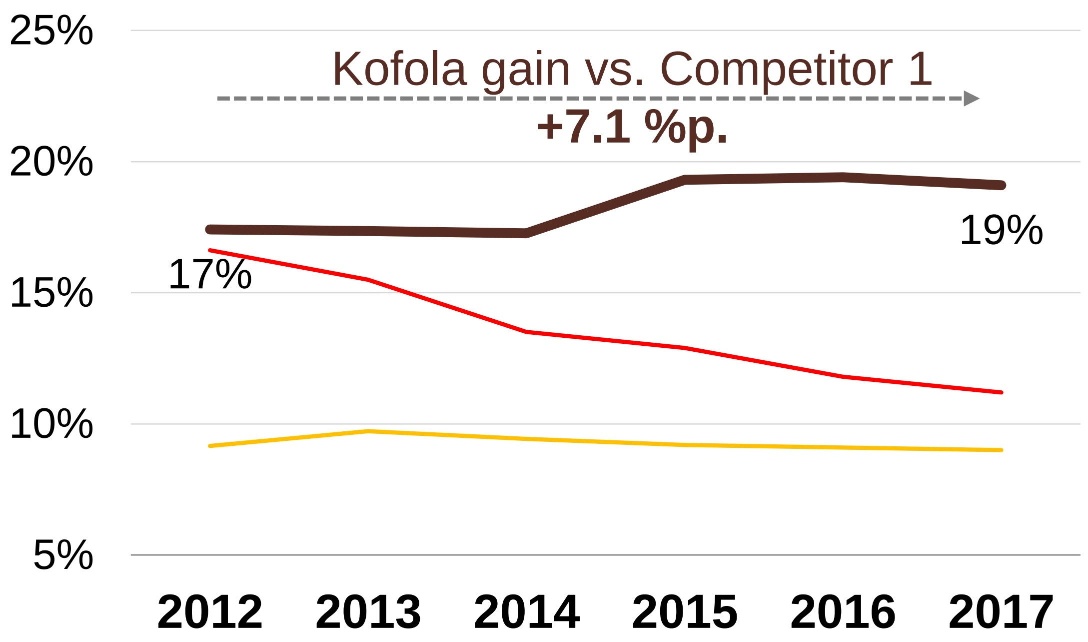
* based on Data Servis and Canadean (volume terms); ** including private label

Kofola can successfully compete with global brands in Retail

Kofola Retail market share (VALUE)



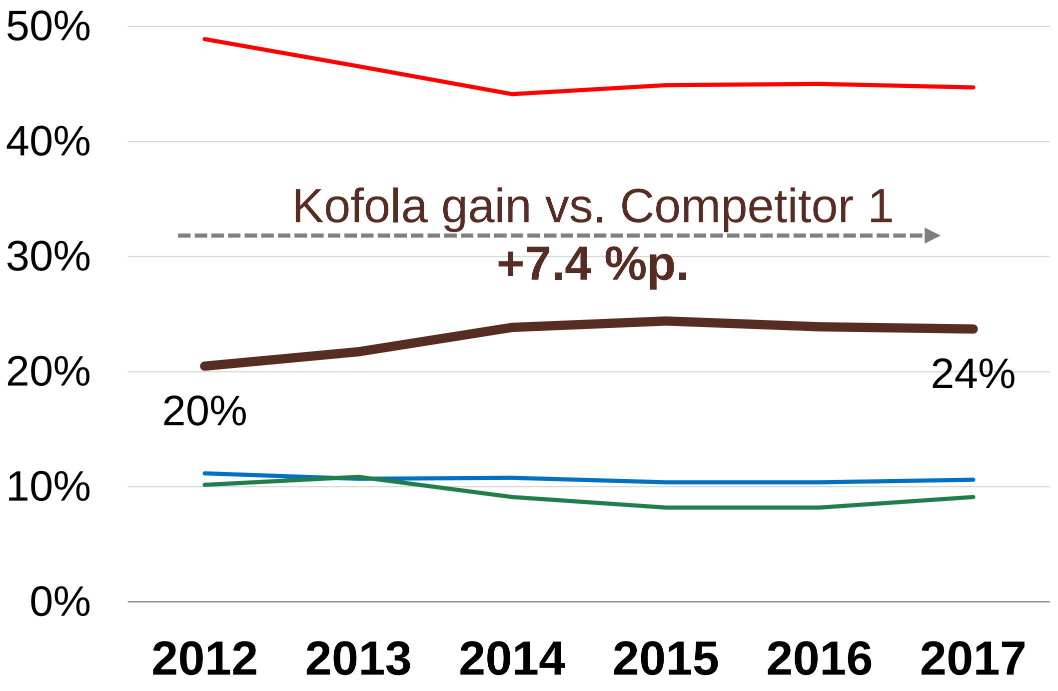


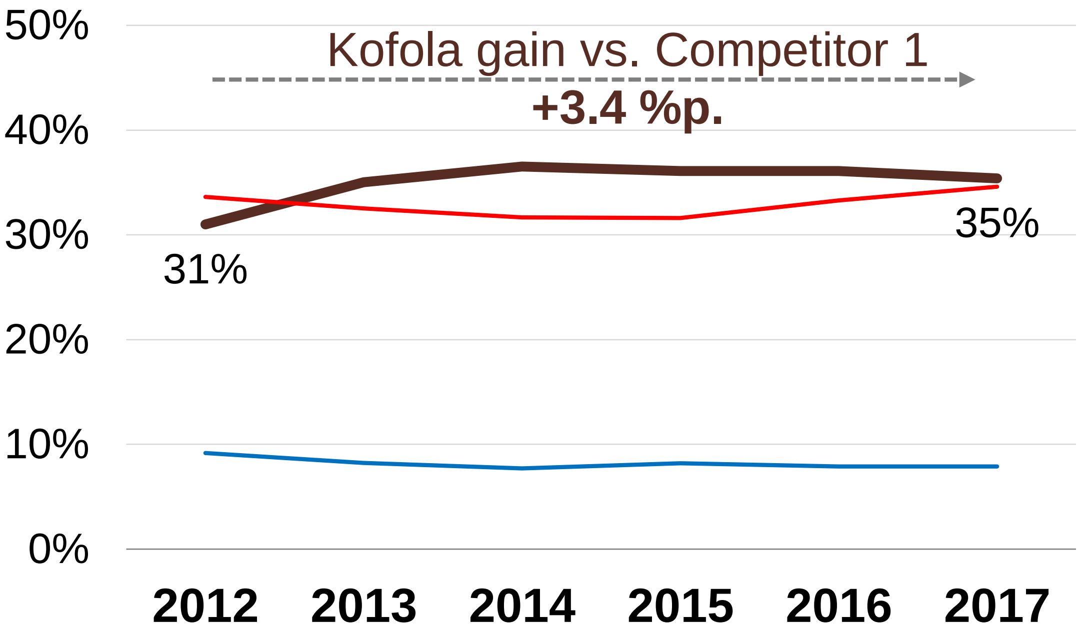
Kofola Competitor 1 Competitor 2 Competitor 3

Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2017 and 2012

Kofola can successfully compete with global brands in HoReCa

Kofola HoReCa market share (VOLUME)



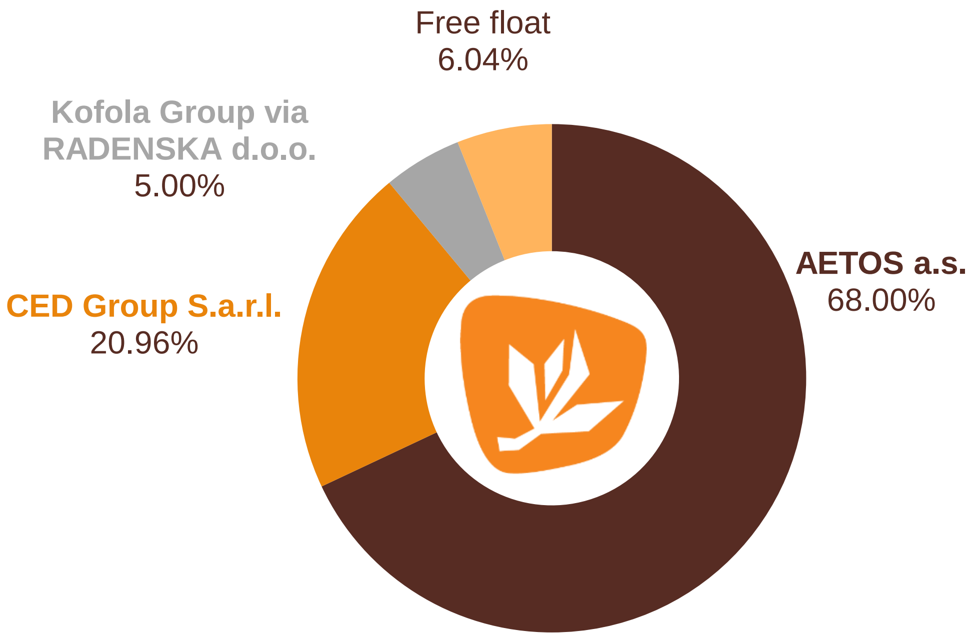


Kofola Competitor 1 Competitor 2 Competitor 3

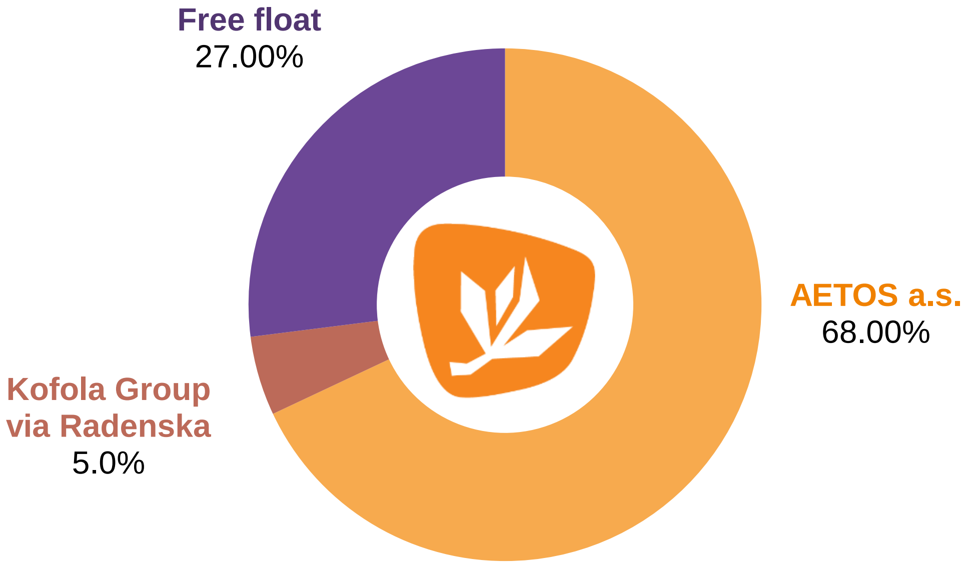
Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2017 and 2012

Kofola Group ownership structure

Current ownership structure



Target ownership structure 2018



Changes in ownership structure

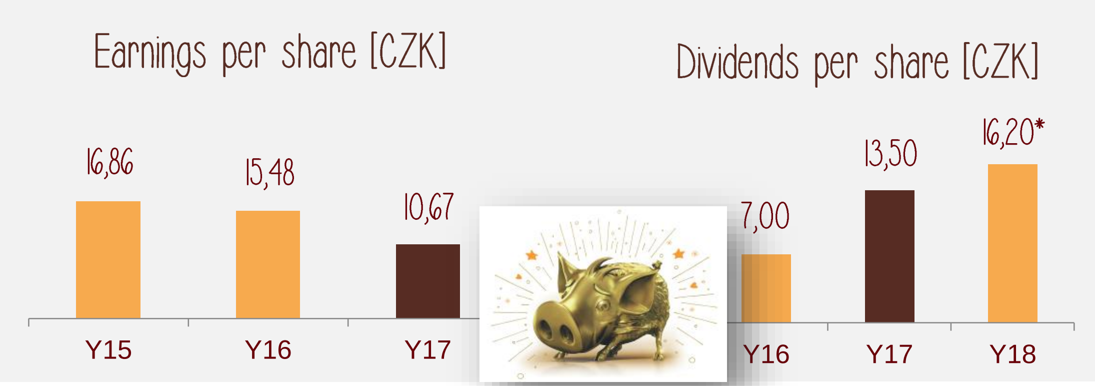
Already has taken place (2017):

1. Establishment of AETOS a.s.
2. KSM (Jannis Samaras and his family), René Musila and Tomáš Jendřejek transfered their shares in Kofola to AETOS.
3. CED Group S.a.r.l. (private equity fund) sold 12 % of its shares in Kofola to AETOS for 440 CZK/share.
4. RADENSKA d.o.o. (a wholly owned subsidiary of Kofola) purchased 5 % of shares in Kofola for 440 CZK/share in a public tender offer.

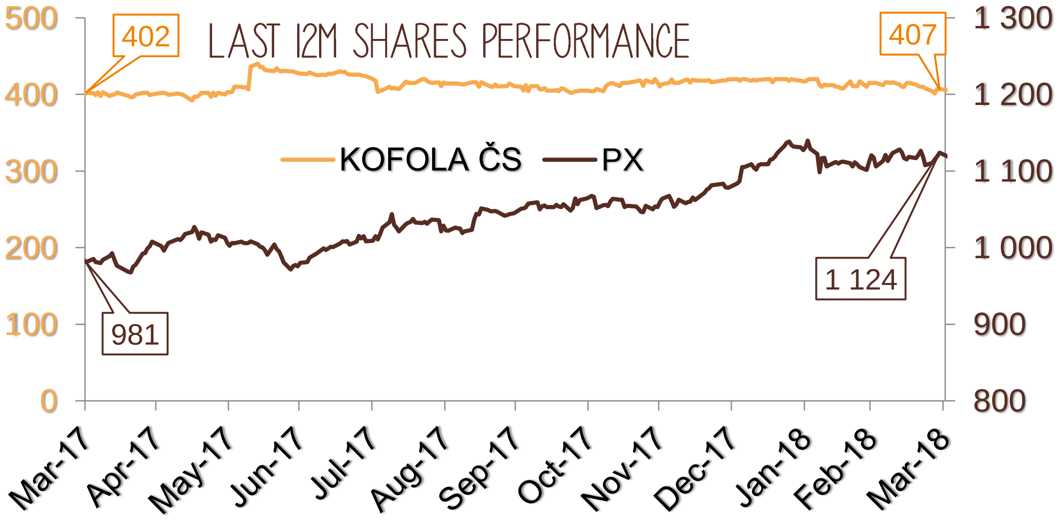
Will take place:

1. On 9 May 2018 CED announced the intention to sale its entire stake (20.96 %) in Kofola (private placement) in the near term.
2. Merger of KSM and AETOS (planned in 2018).

Kofola listed on Stock Exchange since 2008



* suggested by majority shareholder

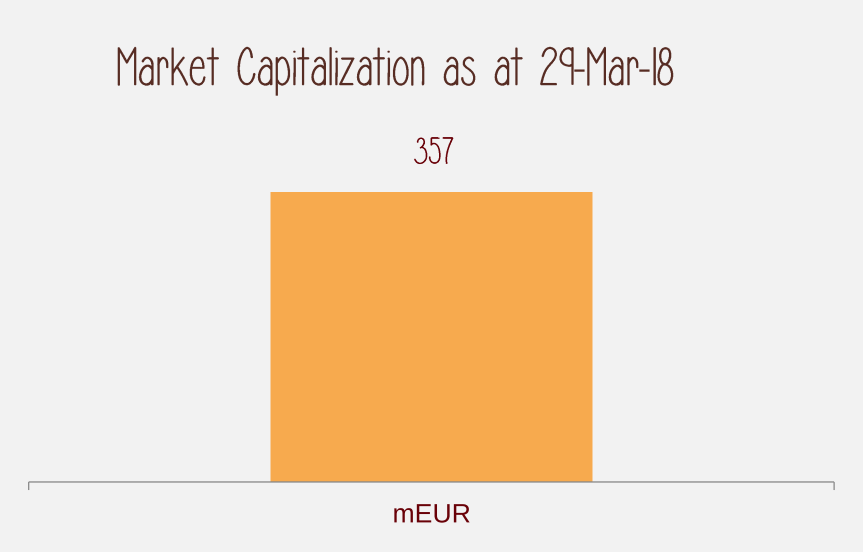


DIVIDEND POLICY

Aim of dividend distribution to 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.



Experienced & stable team

Jannis Samaras
Board member, CEO, founder
56% stake in Kofola (via AETOS)

Daniel Buryš
Board member, CFO
In Kofola since 2010

Jiří Vlasák
Board member, Country manager Poland
In Kofola since 2010

René Musila
Board member, COO
In Kofola since 1993

Tomáš Jendřejek
Board member, Procurement Director
In Kofola since 1994

Marián Šefčovič
Board member,
Country Manager Adriatic region
In Kofola since 2002

Appendix

Consolidated Income Statements

Adjusted consolidated financial results	3M18	3M17	2017*	2016*	2015*	2014*	2013*
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	1,433,952	1,343,528	6,963,278	6,998,960	7,190,838	6,275 391	6,287,894
Cost of sales	(894,272)	(873,303)	(4,134,081)	(4,211,593)	(4,352,102)	(3,881 359)	(4,300,767)
Gross profit	539,680	470,225	2,829,197	2,787,367	2,838,736	2,394 032	1,987,127
Selling, marketing and distribution costs	(479,559)	(440,839)	(2,092,992)	(1,876,854)	(1,884,399)	(1,607 706)	(1,388,750)
Administrative costs	(99,781)	(88,190)	(373,702)	(403,059)	(385,491)	(317,937)	(273,591)
Other operating income, net	2,418	1,105	22,444	33,903	20,567	(25,564)	42,939
Operating result	(37,242)	(57,699)	384,947	541,357	589,413	442,825	367,725
EBITDA	97,272	78,962	950,175	1,064,360	1,102,614	914,820	800,398

* Audited

In 2013, EBITDA was adjusted by one-off items: on the one hand impairment of goodwill, brands and fixed assets relating to Polish operations in a total amount of CZK 879 million and on the other hand profit from the significant disposal of fixed assets in the amount of CZK 19 million.

In 2014, EBITDA was adjusted by one-off item relating to impairment of investment in associate in the amount of CZK 44 million.

In 2015, EBITDA was adjusted by one-off items: qualitative product complaints in Hoop Poland connected with a poor quality of packaging material, the net impact on operating result is of CZK 103 million, CZK 70 million related to advisory costs related to acquisitions and restructuring project and positive effect of CZK 18 million related to court litigation against a competitor of the Group for protection against unfair competition and infringement of Kofola trademarks.

In 2016, EBITDA was adjusted by one-off items: closure of Bielsk and reorganization costs (CZK 3 mil.), merger, acquisition and due diligence costs (CZK 47 mil.), income of CZK 29 mil. from insurance income connected with qualitative product complaints and release of provision for legal case, costs of WSE delisting (CZK 3 mil.), impairment costs – in Polish operation CZK 70 mil. and CZK 126 mil. In Russian associate, assets impairments – CZK 24 mil.

In 2017, EBITDA was adjusted by one-off items: net operating income from the sale of warehouse (CZK 2.9 mil.), costs connected with SAP implementation (CZK 6.3 mil.), costs connected with the liquidation of an inactive subsidiary in Sicheldorfer (CZK 1.8 mil.), revenue from the sale of building (CZK 11.6 mil.), net operating income from the sale of production lines in Poland (CZK 37.8 mil.),costs connected with maintenance of Bielsk Podlaski plant and release of provision (CZK 3.9 mil.), costs connected with the closure of Grodzisk (CZK 43.8 mil.), net operating income from compensation and release of provision connected with prior years qualitative product complaints (CZK 41.6 mil.), impairment costs (CZK 112.4 mil.), acquisition costs – Czech operation incurred costs of CZK 14.5 mil. and costs of CZK 4.4 mil. connected with closing “Na grilu” operation in Ugo.

Consolidated Statements of Financial Position & Cash Flow Statements

Consolidated statement of financial position	31.3.2018	31.3.2017	31.12.2017	31.12.2016	31.12.2015**	31.12.2014	31.12.2013
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Non-current assets	4,843,700	4,930,977	4,786,195	4,915,863	5,095,724	4,171,985	6,287,894
Current assets	1,935,599	2,922,661	1,792,673	3,104,020	3,395,290	1,787,877	1,734,245
Total assets	6,779,299	7,853,638	6,578,868	8,019,883	8,491,014	5,959,862	5,867,100
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1,890,386	2,722,714	1,977,670	2,736,572	2,810,188	2,569,449	2,515,253
Equity attributable to non-controlling interests	(4,895)	1,864	(3,684)	2,896	49,233	7,380	4,971
Total equity	1,885,491	2,724,578	1,973,986	2,739,468	2,859,421	2,576,829	2,520,224
Non-current liabilities	2,358,667	1,546,481	1,855,652	1,580,357	1,750,669	1,029,534	986,258
Current liabilities	2,535,141	3,582,579	2,749,230	3,700,058	3,880,924	2,353,499	2,360,618
Total liabilities	4,893,808	5,129,060	4,604,882	5,280,415	5,631,593	3,383,033	3,346,876
Total liabilities and equity	6,779,299	7,853,638	6,578,868	8,019,883	8,491,014	5,959,862	5,867,100

Consolidated statement of cash flows	3M18	3M17	2017	2016	2015**	2014	2013
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Net cash flow from operating activities	(79,477)	(185,789)	719,995	655,330	935,241	962,426	686,880
Net cash flow from investing activities	(178,611)	(86,305)	(468,963)	(748,667)	(1,136,775)	(241,703)	(194,908)
Net cash flow from financing activities	181,894	25,957	(1,352,846)	(420,418)	1,546,637	(352,204)	(508,828)
Cash and cash equivalents at the beginning of the period	289,594	1,421,014	1,421,014	1,940,008	568,764	201,669	220,192*
Cash and cash equivalents at the end of the period	212,197	1,177,422	289,594	1,421,014	1,940,008	568,764	201,669

* Including cash flow from deconsolidated companies as at 1 January 2013 (Megapack group), ** Restated. All periods audited

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