

ADDITIONAL INFORMATION TO THE CONSOLIDATED ANNUAL REPORT 2016
KOFOLA ČESKOSLOVENSKO A.S.

18 December 2017

Following the summons of the market regulator, the Czech National Bank and according to the Act 234/2009 § 17(3), Kofola ČeskoSlovensko a.s. issues an additional information to the Consolidated Annual Report 2016. This additional information must be read with the Consolidated Annual Report issued on 20 March 2017

Below are stated parts of the Annual report that have been added:

- **Board of Directors Report, Chapter 4 Business overview, 4.1.7. Adjusted consolidated financial results (a new section to be added)**

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 result	C+D+E+F=G	Statement of Profit or Loss	Operating profit
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.

• **Board of Directors Report, Chapter 7 Corporate Governance, 7.2. Information pursuant to capital markets act section 118.5A-K (an enhancement of the existing information disclosure)**

During the financial year 2016, the Company purchased 8 000 of own shares (accounting value CZK 3 743 thousand, nominal value CZK 100, representing 0.002 % of the Company's share capital) and transferred 6 044 of own shares (accounting value CZK 2 828 thousand, nominal value CZK 100, representing 0.001 % of the Company's share capital).

During the financial year 2015, Kofola S.A. (former parent company of the Kofola Group) entered into a share purchase agreement ("SPA") with the Company relating to own shares of Kofola S.A. Under the SPA, Kofola S.A. sold 53 985 shares in Kofola S.A. (each with nominal value of 1 PLN) to the Company for CZK 19 854 thousand. The shares represented 0.206 % of Kofola S.A.'s registered share capital. The shares were used for the share capital reduction and capital restructuring (see 2015 Annual report, chapter 3.1.).

Note: We declare that the accompanying set of information was discussed with our auditors (PricewaterhouseCoopers Audit, s.r.o.) and they did not consider it necessary to perform any additional assurance work.