

**ADDITIONAL INFORMATION TO THE CONSOLIDATED INTERIM REPORT 1H2017**
**KOFOLA ČESKOSLOVENSKO A.S.**

12 January 2018

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 Interim Report 1H2017. This additional information must be read with the Consolidated Interim Report issued on 7 August 2017

Below is stated part of the 1H2017 Interim report that have been added:

- **Board of Directors Report, Chapter 3 Business overview, 3.1.8. Definition and reconciliation of Alternative Performance Indicators (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
<b>Gross profit</b>	<b>A+B=C</b>	<b>Statement of Profit or Loss</b>	<b>Gross profit</b>
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
<b>Operating result</b>	<b>C+D+E+F=G</b>	<b>Statement of Profit or Loss</b>	<b>Operating profit</b>
Depreciation and amortisation	H	Statement of Cash Flows	Depreciation and amortization
<b>EBITDA</b>	<b>G+H=I</b>	-	-
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
<b>Net debt</b>	<b>J+K+L-M=N</b>	-	-
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.

## MANDATORY DISCLOSURE OF INFORMATION



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.