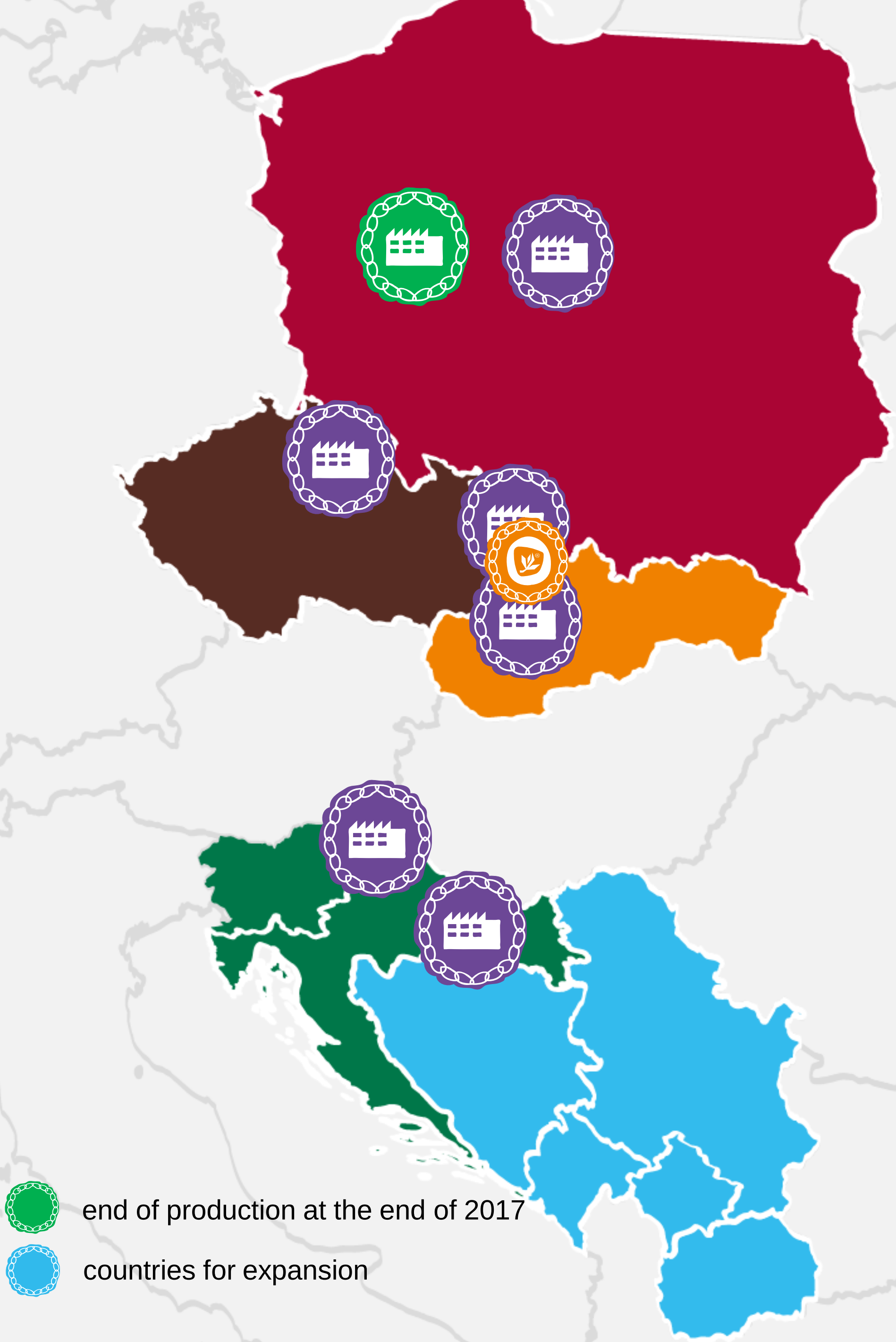
1H2017 RESULTS

Investor presentation

7 August 2017



The Kofola Group

One of the most significant producers of non-alcoholic beverages in Central and Eastern Europe

Revenues 6M17: € 126M
EBITDA 6M17: € 13M

7 production plants

2,100 employees

EUR/CZK ex. rate: 26.784

Kofola Group in figures

CZECHIA

- **No. 2 player** in the soft drinks market
- **Kofola and Jupí the most trustful brands in 2016 survey**
- **3rd most admired company in 2016 survey**

SLOVAKIA

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

POLAND

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

SLOVENIA

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

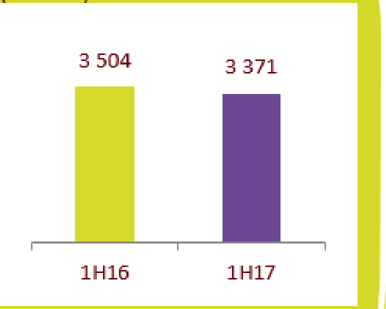
CROATIA

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

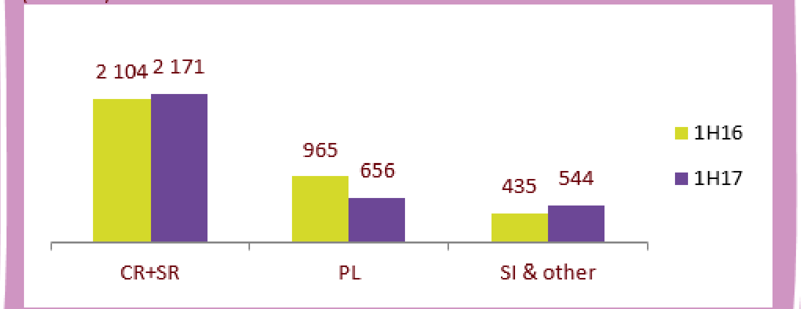
Source: AC Nielsen / Ogilvy & Mather research (value)- for market shares, Awards: Czech TOP 100, Najdoveryhodnejšia značka

Kofola Group Key Highlights*

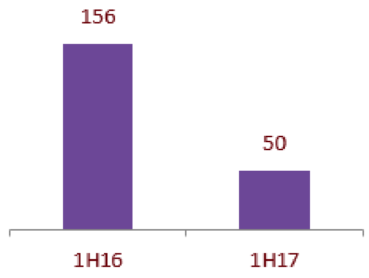
Revenue
(CZK mil.)



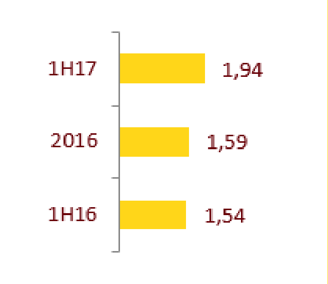
Revenue per countries
(CZK mil.)



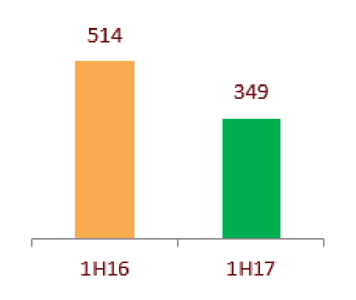
Profit for the period
(CZK mil.)



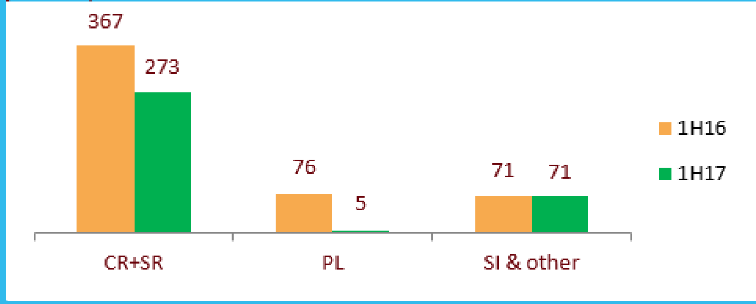
Net debt / EBITDA



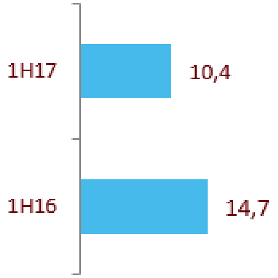
EBITDA
(CZK mil.)



EBITDA per countries
(CZK mil.)



EBITDA margin
(%)



* adjusted for one-offs

Results of Kofola Group – 6M17

Reconciliation of reported and adjusted results	Reported CZK mil.	One-offs CZK mil.	Adjusted CZK mil.
Revenue	3 371.0	-	3 371.0
Cost of sales	(2 035.4)	4.5	(2 030.9)
Gross profit	**1 335.6**	**4.5**	**1 340.1**
Selling, marketing and distribution costs	(1 057.4)	-	(1 057.4)
Administrative costs	(209.0)	3.2	(205.7)
Other operating income/(expense), net	24.3	(22.1)	2.2
Operating result	**93.5**	**(14.4)**	**79.2**
EBITDA	**363.3**	**(14.4)**	**348.9**
Finance costs, net	2.6	-	2,6
Income tax	(31.4)	(0.4)	(31.8)
Profit for the period	**64.7**	**(14.8)**	**50.0**
- attributable to shareholders of the parent	67.3	(14.8)	52.6

One-offs:

- Costs connected with maintenance of Bielsk production hall – CZK 4.5 mil.
- Costs connected with SAP implementation in Adriatic – CZK 3.2 mil.
- Net profit of CZK 9.0 mil. – from the sale of a production line in Poland.
- Net profit of CZK 2.9 mil. – from the sale of a warehouse in Adriatic region.
- Costs connected with liquidation of inactive subsidiary in Sicheldorfer – CZK 1.8 mil.

Group Results Comparison 6M*

Results comparison	6M17	6M16	Change	Change
	CZK mil.	CZK mil.	CZK mil.	%
Revenue	3 371.0	3 504.4	(133.4)	(3.8%)
Cost of sales	(2 030.9)	(2 139.0)	108.2	(5.1%)
Gross profit	**1 340.1**	**1 365.4**	**(25.2)**	**(1.8%)**
Selling, marketing and distribution costs	(1 057.4)	(924.4)	(133.0)	14.4%
Administrative costs	(205.7)	(214.5)	8.7	(4.1%)
Other operating income, net	2.2	30.6	(28.4)	(92.8%)
Operating result	**79.2**	**257.1**	**(177.9)**	**(69.2%)**
EBITDA	**348.9**	**514.0**	**(165.0)**	**(32.1%)**
Finance costs, net	2.6	(56.3)	58.8	(104.6%)
Income tax	(31.8)	(45.0)	13.2	(29.4%)
Profit for the period	**50.0**	**155.8**	**(105.9)**	**(67.9%)**
- attributable to shareholders of the parent	52.6	155.7	(103.2)	(66.3%)

The Group´s revenue without Poland increased by CZK 175 mil. (6.9%).

* adjusted for one-offs

•Revenue decrease caused by lower sales in Poland that were partially offset by the increase in CzechoSlovakia that came from Rauch, Rajec and Vinea, increased sales in Ugo and increased sales in Slovenia and Croatia.

•Decreased gross profit mainly in Poland, partially compensated by increased gross profit in Radenska and Ugo. Gross profit margin increased by 0.8 p.p. from 39.0% in 6M16 to 39.8% achieved in 6M17.

•Selling costs increasing, influenced by increased costs of cca CZK 45 mil. in UGO (further expansion – increased number of larger bars, increased marketing costs – first TV campaign, increased salaries due to increased number of bars), also due to acquired Studenac subsidiary – effect of CZK 38 mil., by increased costs in CzechoSlovakia (higher bad debt provisions with effect of CZK 15 mil. and increased logistic costs) which were partly compensated by lower costs in Poland.

•Decreased admin costs, driven by decreased admin costs in CzechoSlovakia, Poland and Adriatic region despite the Studenac acquisition.

•Increased financial result influenced by increased foreign exchange gains of cca CZK 25 mil., positive effect of revaluation derivatives of cca CZK 14 mil. and lower interest from loans.

Group Results Comparison 2Q*

Results comparison	2Q17 CZK mil.	2Q16 CZK mil.	Change CZK mil.	Change %
Revenue	2 027.5	2 038.1	(10.6)	(0.5%)
Cost of sales	(1 157.6)	(1 189.1)	31.5	(2.7%)
Gross profit	**869.9**	**849.0**	**20.9**	**2.5%**
Selling, marketing and distribution costs	(616.6)	(537.5)	(79.1)	14.7%
Administrative costs	(117.6)	(110.4)	(7.2)	6.5%
Other operating income, net	1.1	29.7	(28.6)	(96.3%)
Operating result	**136.8**	**230.8**	**(94.0)**	**(40.7%)**
EBITDA	**270.0**	**360.2**	**(90.2)**	**(25.0%)**
Finance costs, net	15.4	(17.1)	32.5	(189.9%)
Income tax	(33.8)	(36.7)	2.8	(7.7%)
Profit for the period	**118.4**	**177.0**	**(58.7)**	**(33.1%)**
- attributable to shareholders of the parent	120.0	176.4	(56.4)	(32.0%)

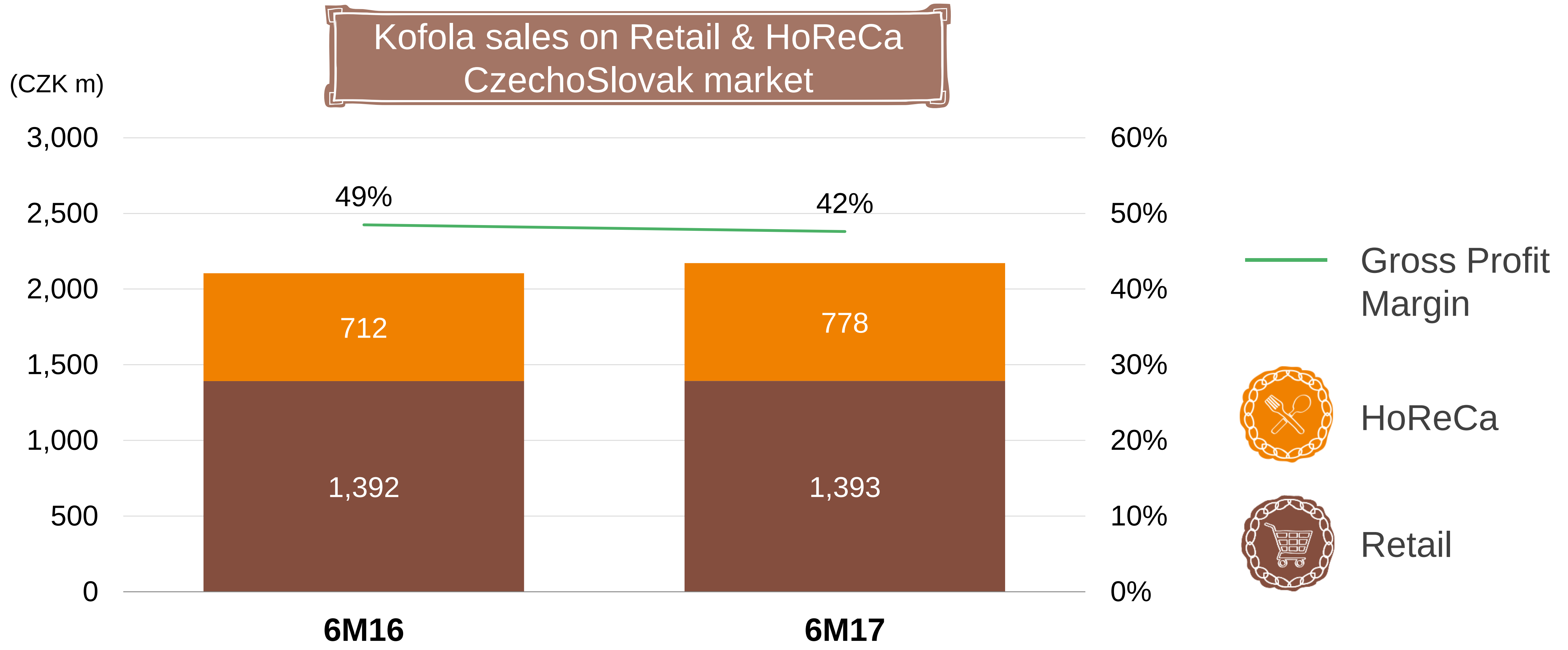
The Group´s revenue without Poland increased by CZK 171 mil. (11.6%).

* Revenue decreased slightly by 0.5%, a net effect of decreased revenue in Poland in amount of cca CZK 182 mil. (32.6%) and increased revenue in the rest of the group.
* In June 2017, the group achieved record sales for its own brands, the biggest sales in the history of Kofola.
* Lower gross profit influenced by increased prices of sugar.
* Selling costs increasing, mainly in Ugo and Slovakia (logistic costs).
* Increased admin costs, mainly in Ugo.
* Net finance costs decreased due to decreased exchange losses and decreased loss from revaluation of derivatives.

* adjusted for one-offs

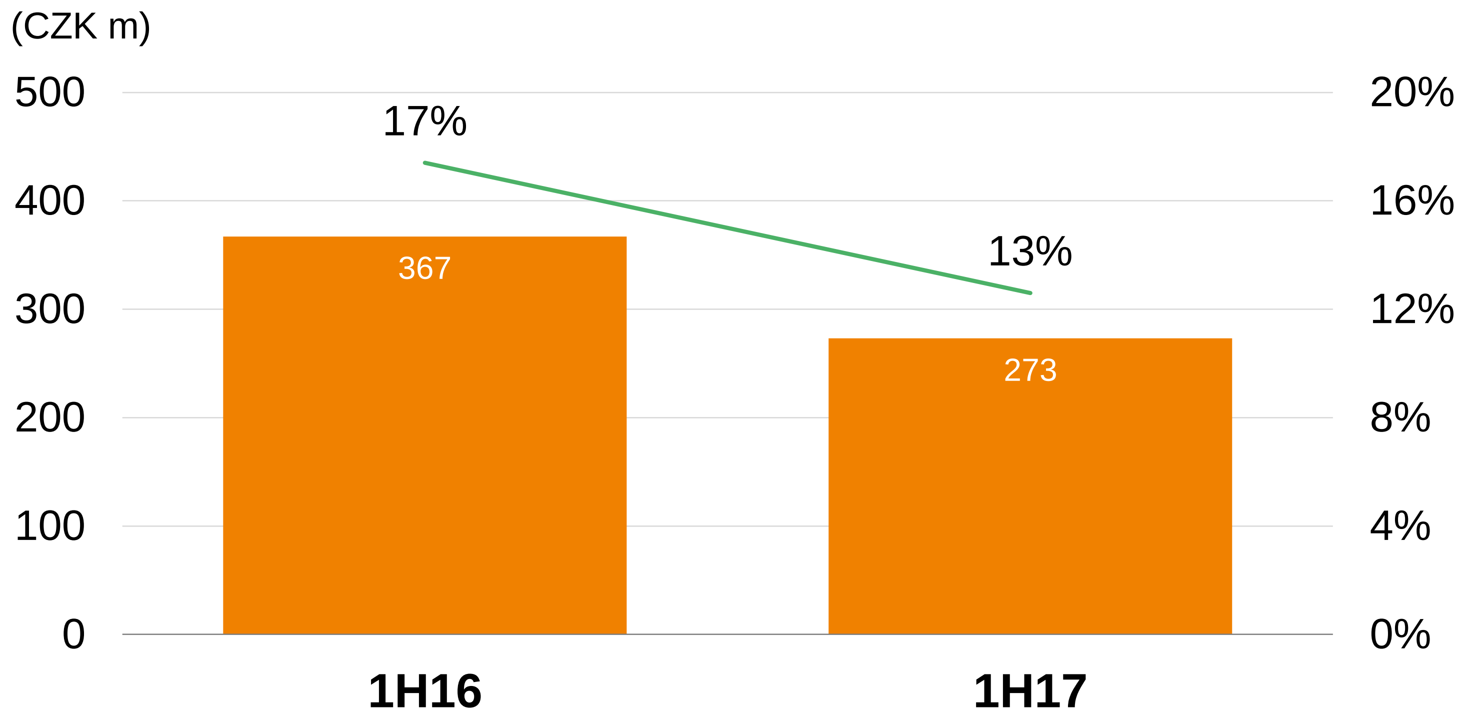
Country Overview

CZ & SK: Solid results & strong brands position



Key CzechoSlovak segment: high EBITDA share

Adjusted EBITDA & EBITDA margin



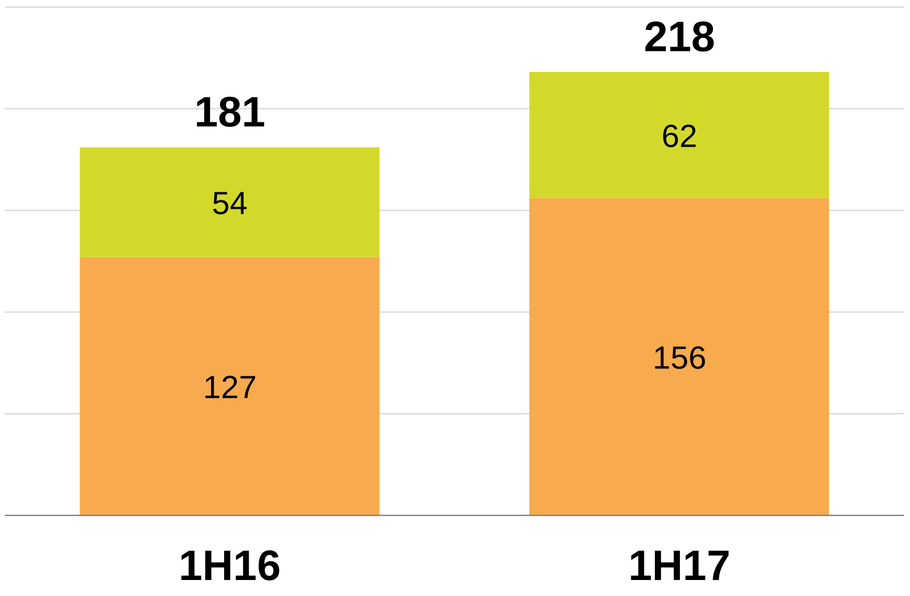
- 1H17 EBITDA margin influenced by increased prices of sugar and increased selling (logistic costs) and marketing costs (mainly in Ugo). The EBITDA decrease is higher in Czechia due to the portfolio structure (higher need of sugar) and inclusion of Ugo in the Czech segment.

Share in group's EBITDA: 78%

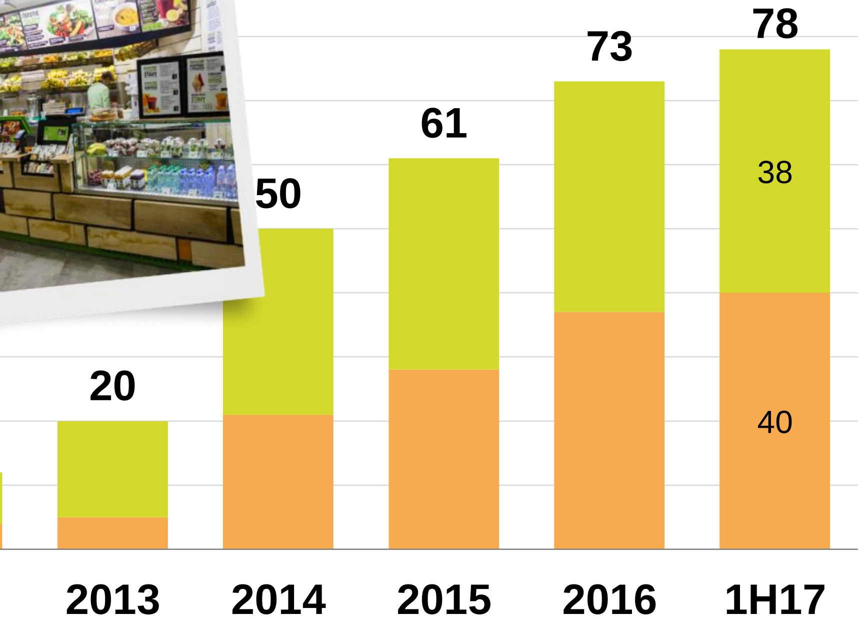
Fresh juice concept commited to a healthy lifestyle

Ugo sales + Ugo franchise sales

(CZK m)

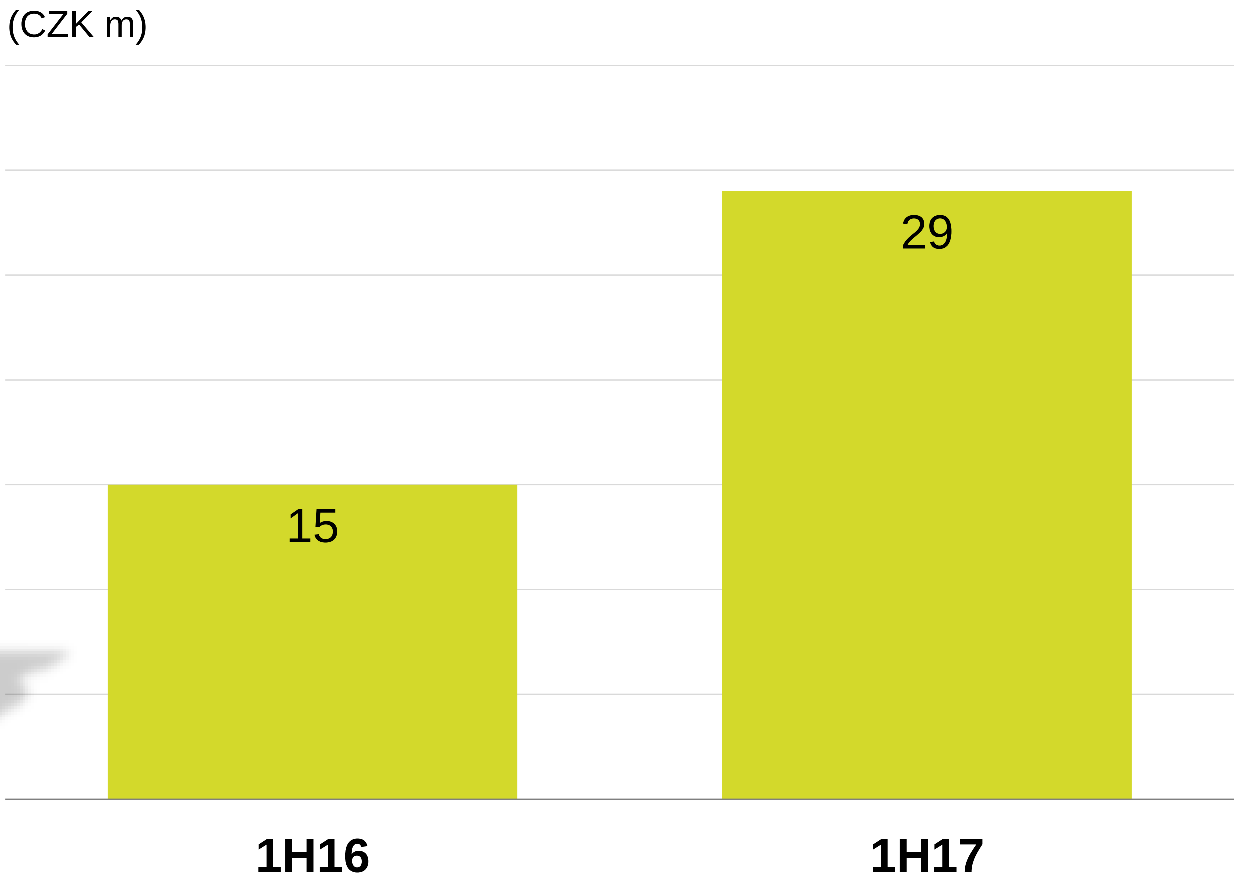


Substantial increase in number of bars

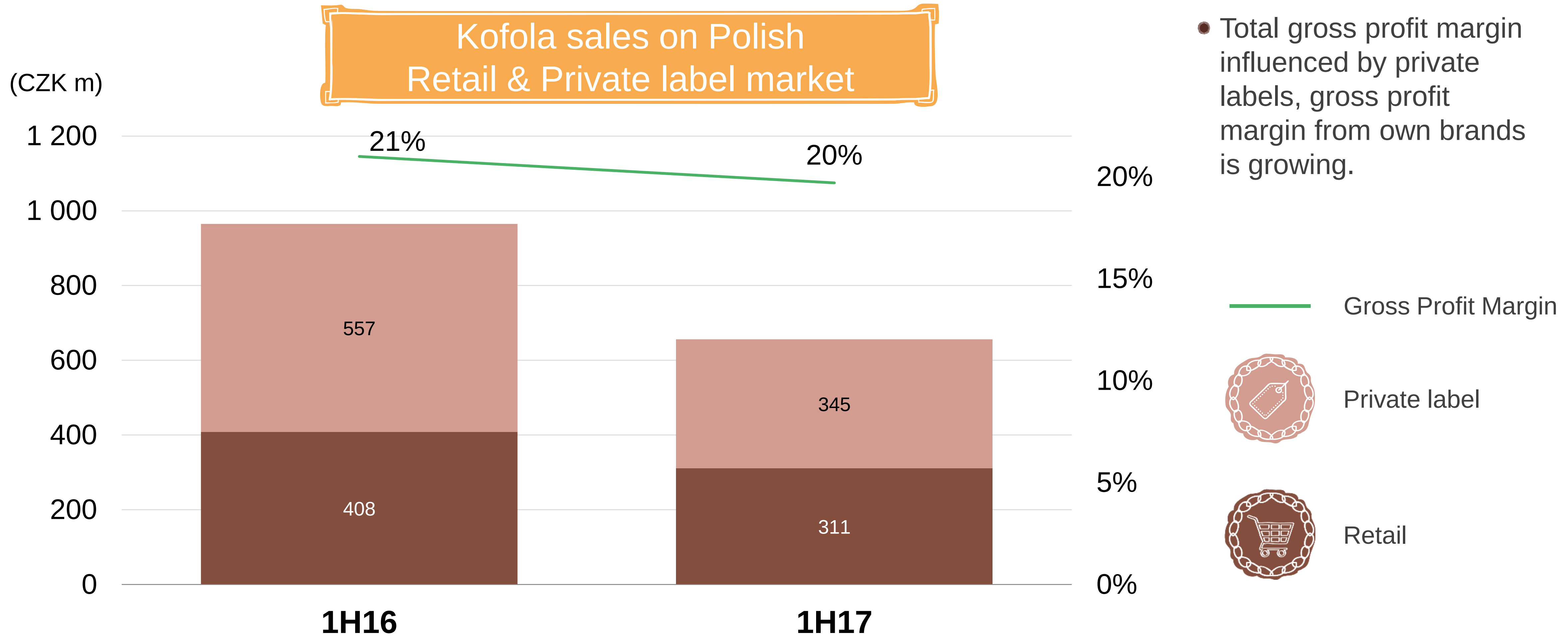


Own Franchises

Excellent growth of Ugo bottles sales



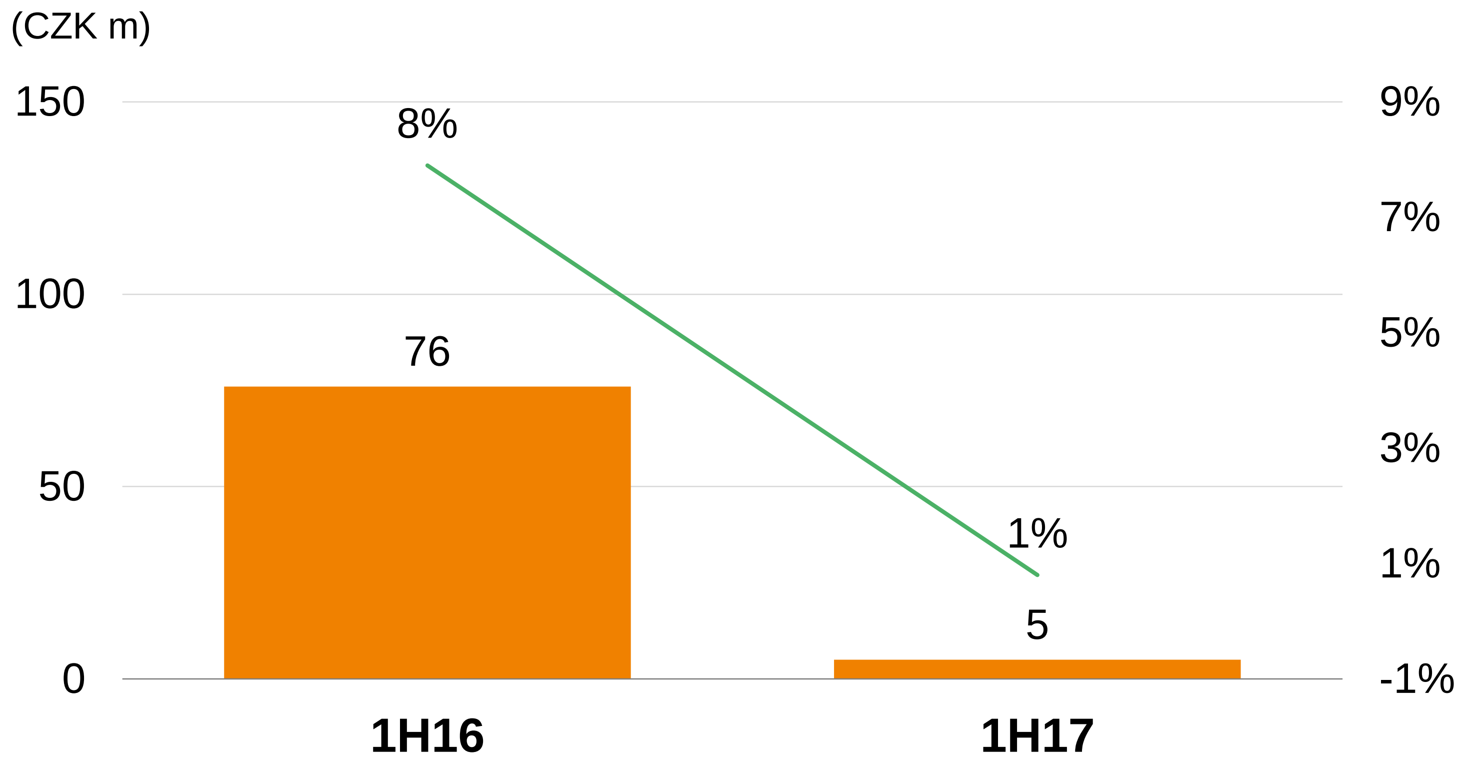
Polish market: Stable gross profit margin, decreasing share of Private labels



- Total gross profit margin influenced by private labels, gross profit margin from own brands is growing.

Ebitda margin decrease

Adjusted EBITDA & EBITDA margin



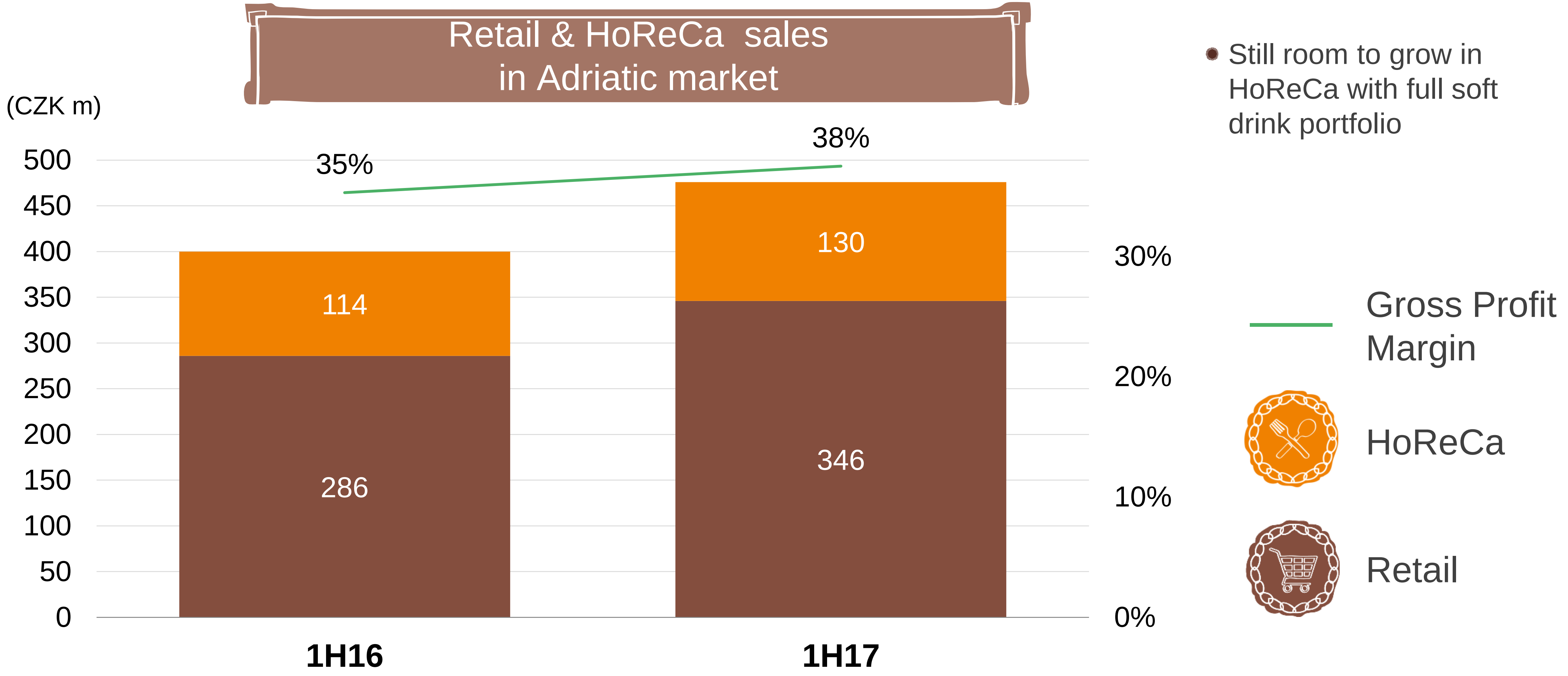
- Consolidation of Polish production capacities to 1 production plant in Kutno will lead to cost reductions. A production plant (Grodzisk Wielkopolski) will be closed by YE2017.

Share in group's EBITDA: 1.6% (6M16: 14.8%)

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%).
- Acquisition of Premium Rosa.
- Concentration of production in one plant (Kutno), the most modern plant in the group.

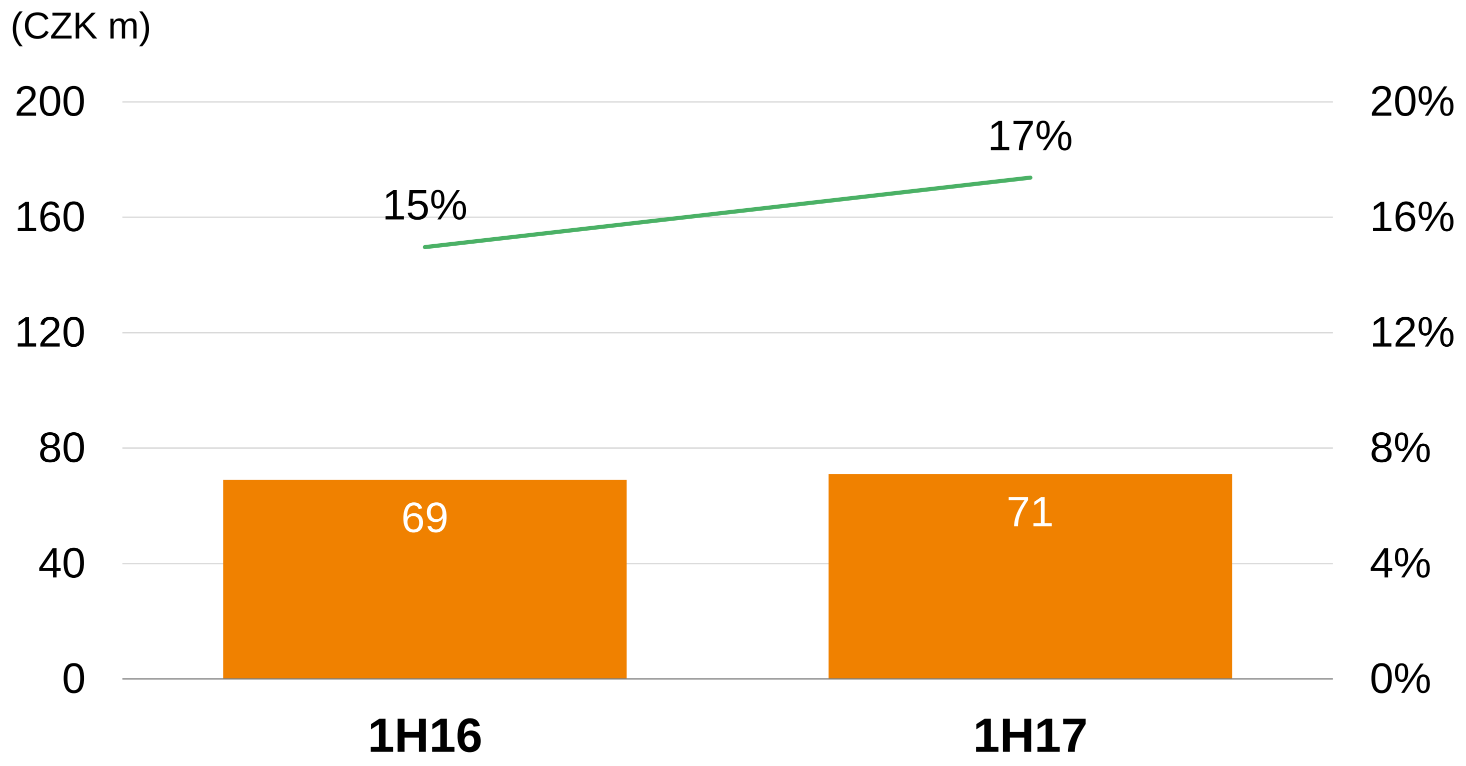
Adriatic market: Developing strong brands



- Still room to grow in HoReCa with full soft drink portfolio

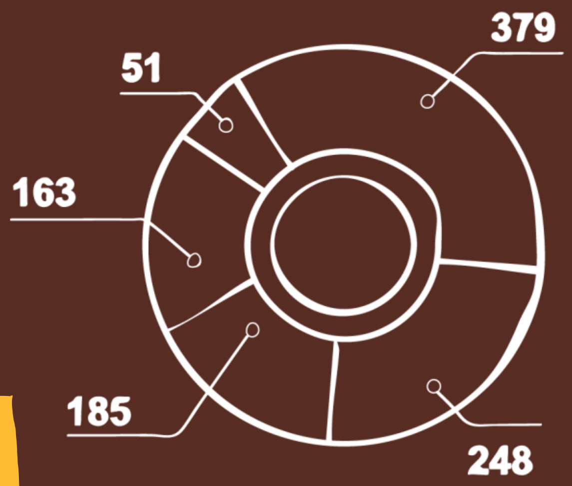
Margins reflecting competitive strength of Radenska

Adjusted EBITDA & EBITDA margin*

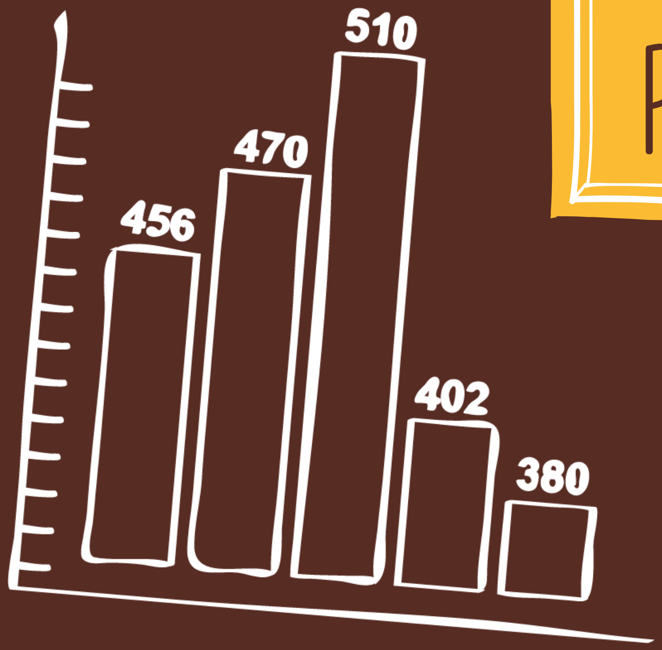


- EBITDA margin should improve in near future due to post acquisition synergies

Share in group's EBITDA: 20.4%

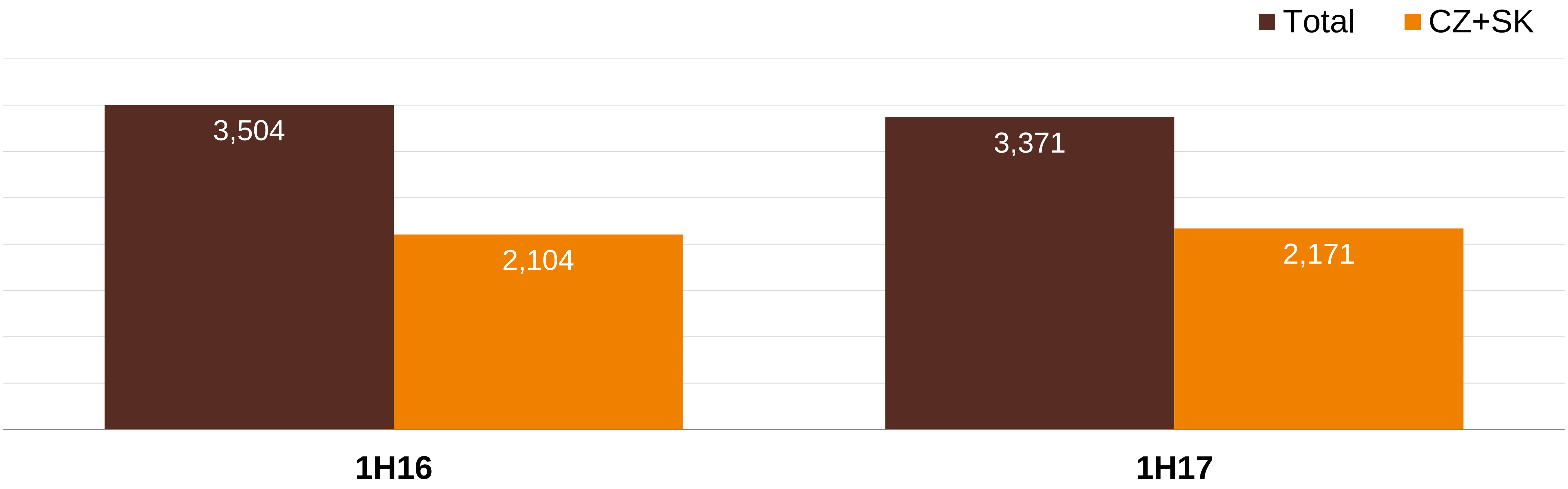


Consolidated Financial Performance Indicators



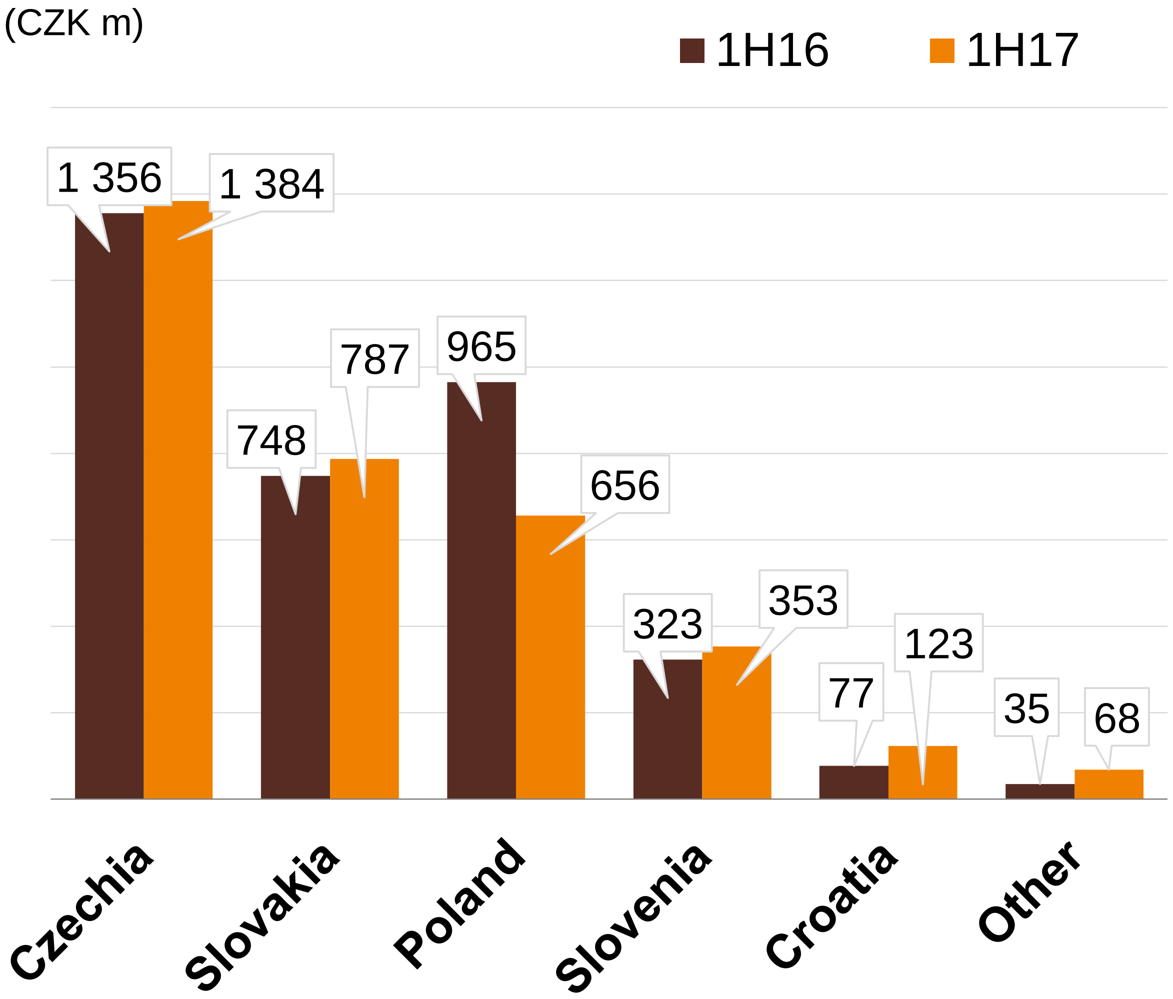
Consolidated Revenues

(CZK m)



- 1H17 – Revenue decrease attributable to Poland, partly offset by growth of sales in other regions.

Geographical segment sales (MCZK)



- **Czech Republic**
  Revenues increased by 2.1%, due to increased sales of Rauch, Rajec and Vinea. UGO increased revenue by 30.5%.

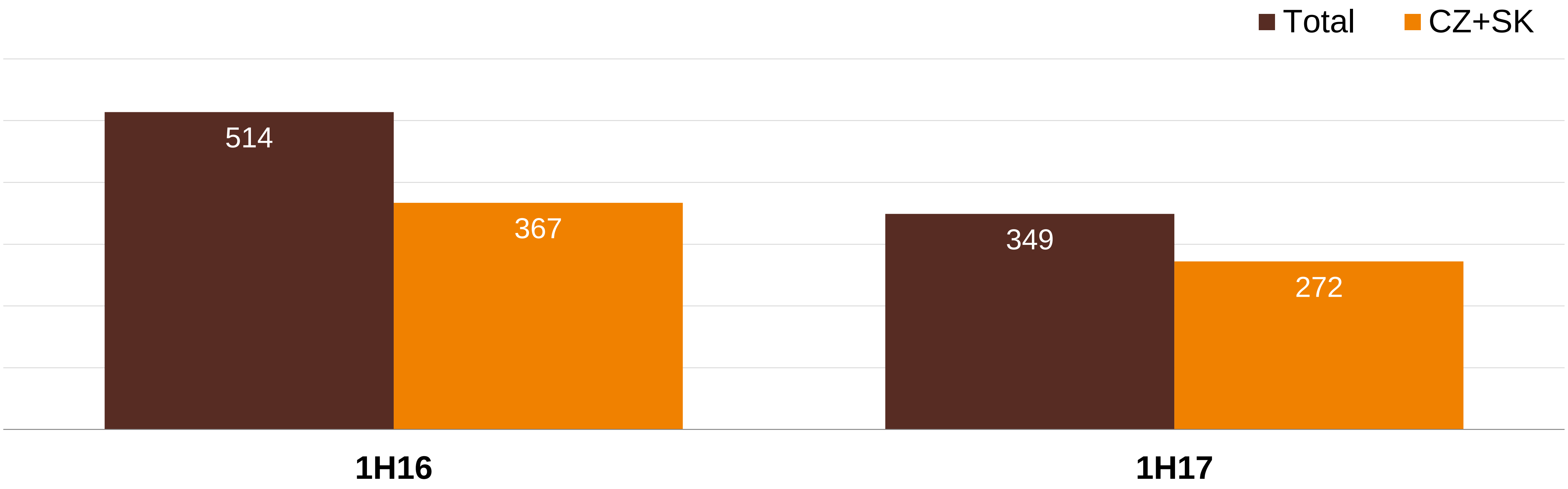
- **Slovakia**
  Revenues growing by 5.2%, keeping leading position in both Retail and HoReCa segment in terms of market share. Sales in our most profitable HoReCa and Impulse channels grew, Impulse by double digits. Increased sales of both Rauch and Kofola brands.

- **Poland**
  Revenue decreased by 32%, mainly due to lower sales of private labels and brands in traditional channel.

- **Adriatic region**
  Adriatic segment shown increased revenue by 19.2%, also thanks to acquisition of Studenac.

Consolidated adjusted EBITDA

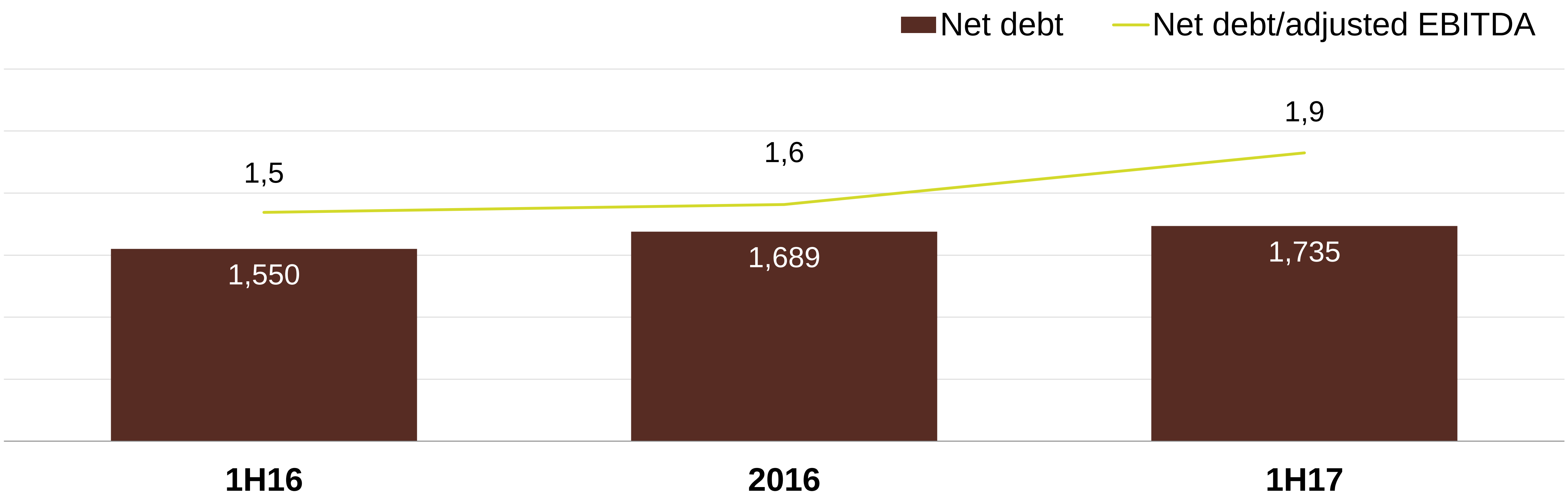
(CZK m)



The net decrease of EBITDA is caused by decreased performance in Poland and CzechoSlovakia which was not fully compensated by increased performance in Slovenia. The EBITDA achieved by the Group in Poland decreased as a result of decreased sales mainly of private labels. The EBITDA in the Czech Republic decreased due to lower sales of Kofola, increased costs of sugar and increased selling (logistic) and marketing expenses.

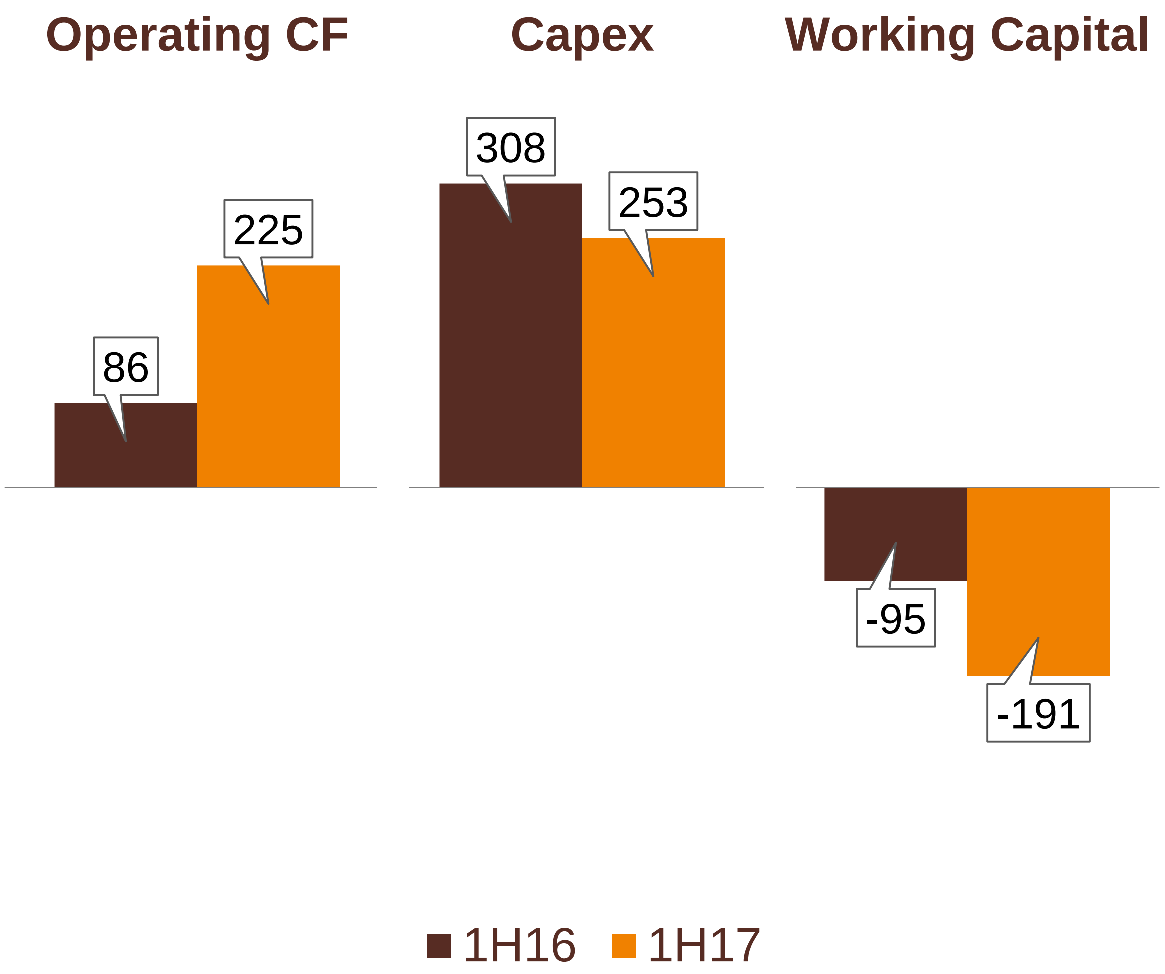
Consolidated NET DEBT

(CZK m)



- Net debt in 1H17 vs. 2016 influenced by decreasing cash exceeding decrease of debt.
- Decrease of cash in 1H17 vs. 2016 due to capex and repayments of loans which exceeded proceeds.

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



- Operating CF increased, thanks to positive working capital cash flow effect (increased payables) despite decreased profit.

- Decrease of Capex – comparative figure influenced by the payment of the new production hall in Poland (CZK 100 mil.)

- Decrease of working capital influenced by the increase of trade payables in all segments, also influenced by increase of payables in Studenac.

Acquisitions I/2

Studenac

- Continuing integration (sales team, SAP, production processes).
- Decrease of revenues because customers did a frontloading before the takeover and timing of the takeover (at 2016 YE – lack of time for the change of business model, marketing campaigns).
- Rising revenues in Croatia thanks to sales of Radenska and Pepsi.
- Croatian market in a crisis due to bankruptcy of Agrokor/Konzum (our receivable only HRK 122 thousand). When this crises is over, it could be an opportunity to further increase our market share due to the end of Agrokor monopoly.

titbit

- The biggest salad producer in Czechia, expected effect of CZK 60 mil. on 2017 revenues.
- Production of approx. 5000 salads daily.
- Acquired a production division for tens of millions CZK.
- We did not acquire the wholesale of fruit and vegetables.
- The takeover in June 2017.
- Our goal – to strengthen UGO in another fresh food segment – Retail.

Acquisitions 2/2

PREMIUM ROSA

- Important part of the current strategy in Poland.
- Forward looking company that records double-digit sales growth.
- Kofola will expand its portfolio of healthy food products: syrups, juices, jams, products made from medicinal plants from certified farms.
- Purchase price: PLN 10 million.
- Expected revenue 2017: PLN 15 million.

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 Hoop (Hoop and Paola brands)

2008 – Acquisition of Vinea brand in Slovakia (most popular CSD in Slovakia)

2012 – Acquisition of Ugo group (fresh juices)

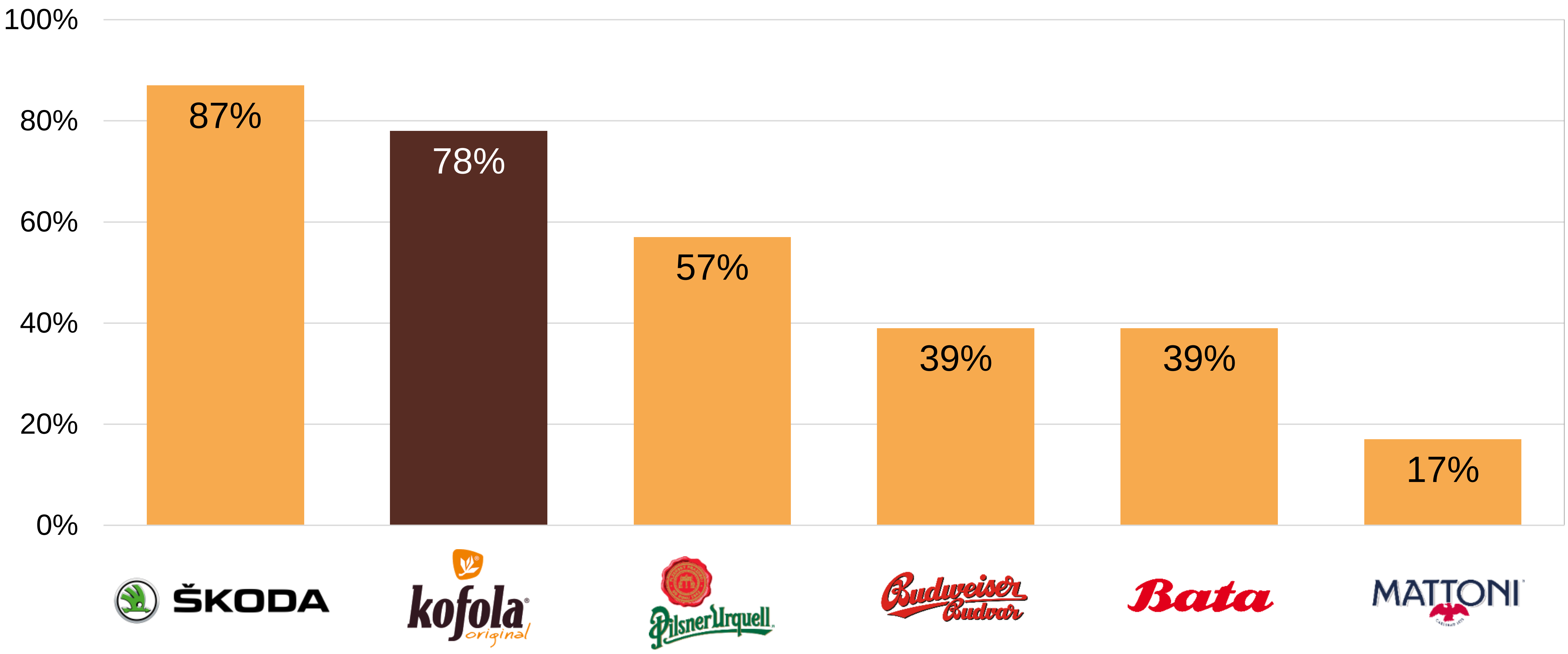
2015 – Acquisition of Radenska, No. 1 water producer in Slovenia

2016 – Acquisition of Studenac – no. 2 mineral water brand in Croatia

2017 – Acquisition of Premium Rosa – producer of high quality natural products (syrups, juices and jams) in Poland.

Take over of Titbit salad division.

Kofola is 2nd best traditional Czech brand



The complete portfolio of strong brands

Segment positions

Legend: Leader (green circle), Viceleader (orange circle)

	PL	CZ	SK	SI
Cola beverages	3	2	1	3
Carbonated beverages	-	3	1	2
Waters	-	4	2	1
Syrups and concentrates	2	1	2	-
Beverages for children	6	2	2	-
Energy drinks	-	4	5	-

Strong second position in Czech market and leading position in Slovak market.

Leading position in carbonated beverages segment in Slovakia was achieved due to acquisition and further development of Vinea brand.

No. 1 in the natural spring waters in Slovakia and Slovenia. Position achieved due to innovations.

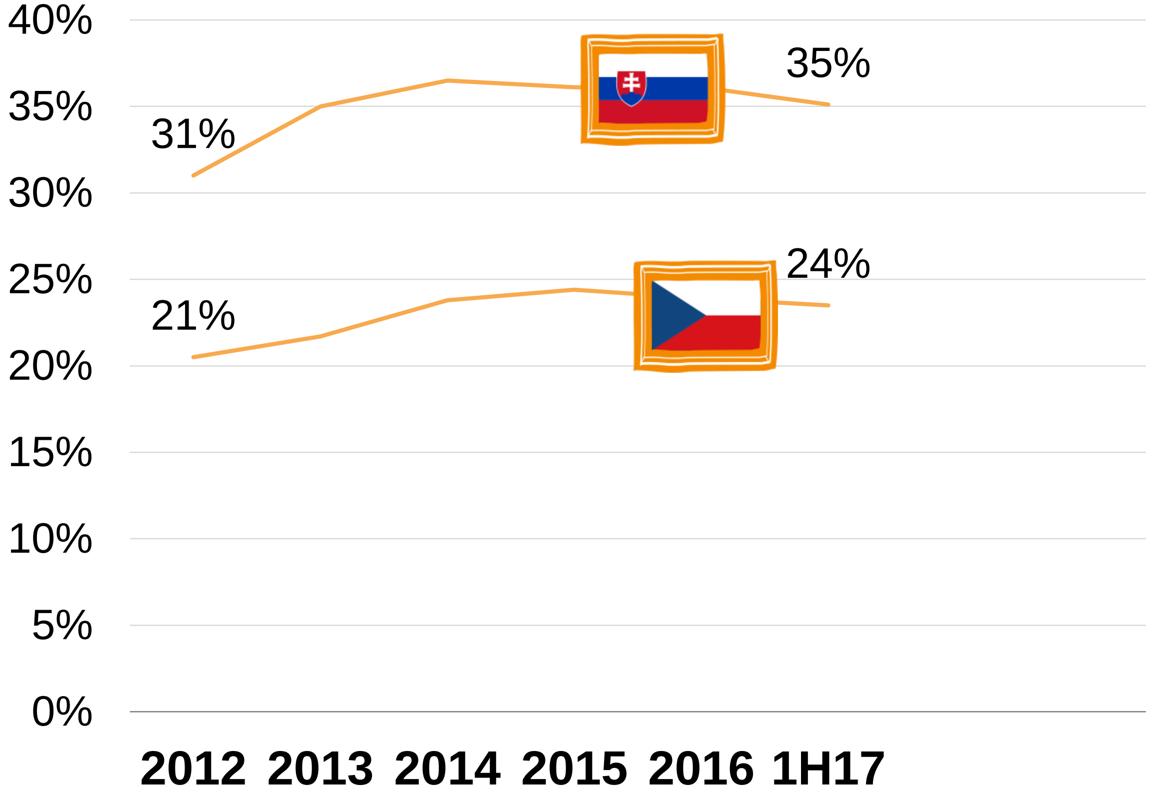
Jupi is a clear leader in the syrup segment in the Czech Republic and a viceleader in Slovakia thanks to implemented innovations. Second place of Paola syrup in Poland.

Innovative activities in the segment of beverages for children in the Czech and Slovak markets (Jupík, Jupík Aqua).

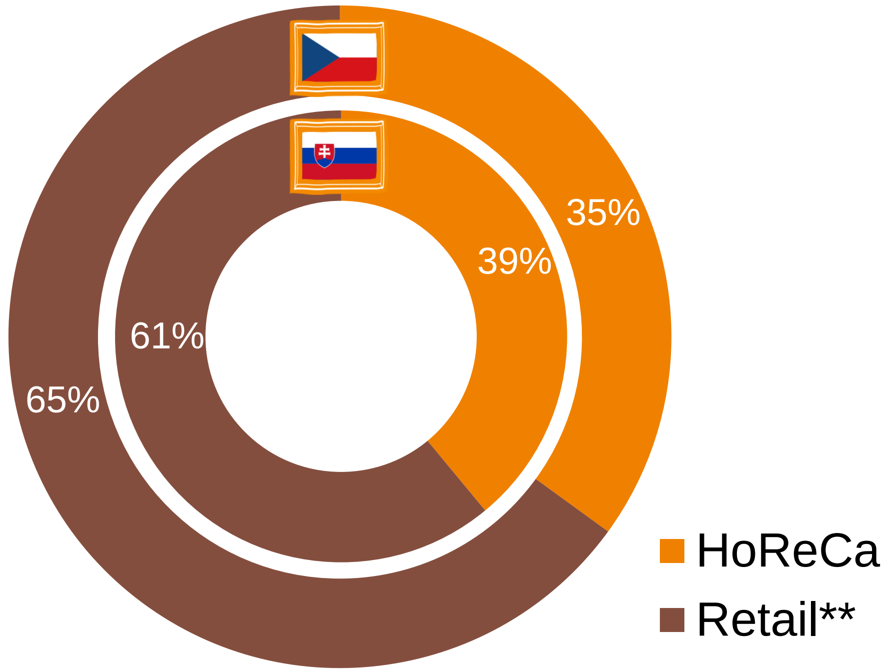
Energy drink Semtex since acquisition in 2011 strengthens its position in the Czech Republic and Slovakia.

HoReCa channel: An important part of our business

Kofola share in HoReCa channel*



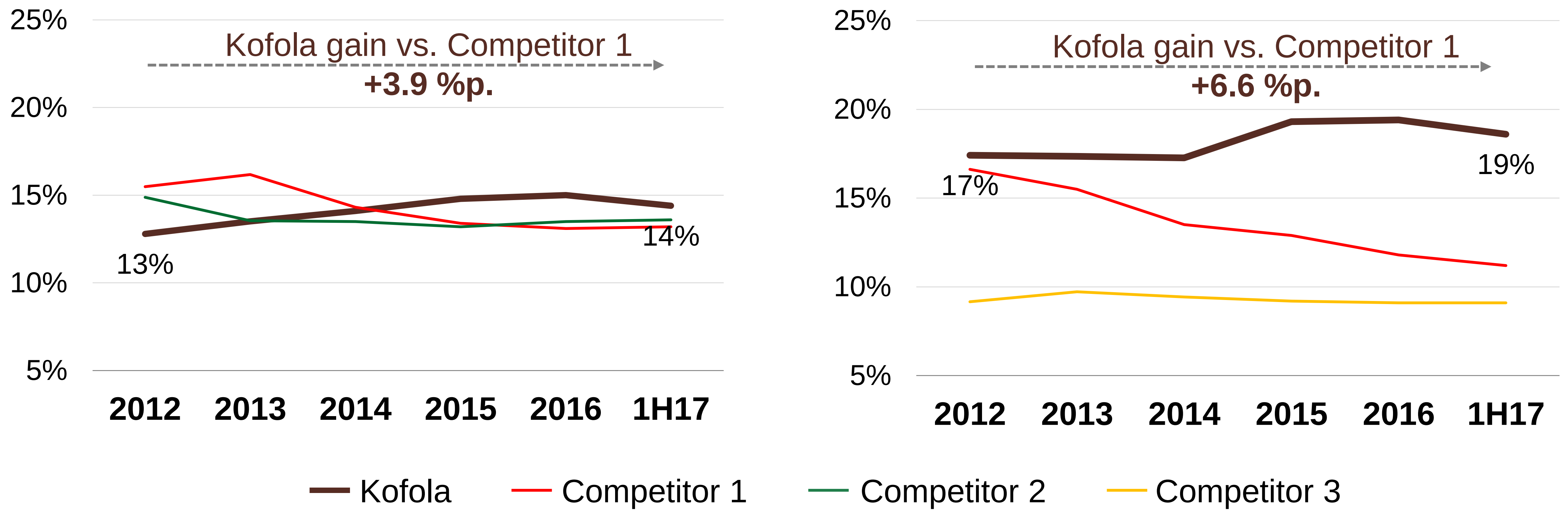
Kofola HoReCa sales in total sales 1H17



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

Kofola can successfully compete with global brands in Retail

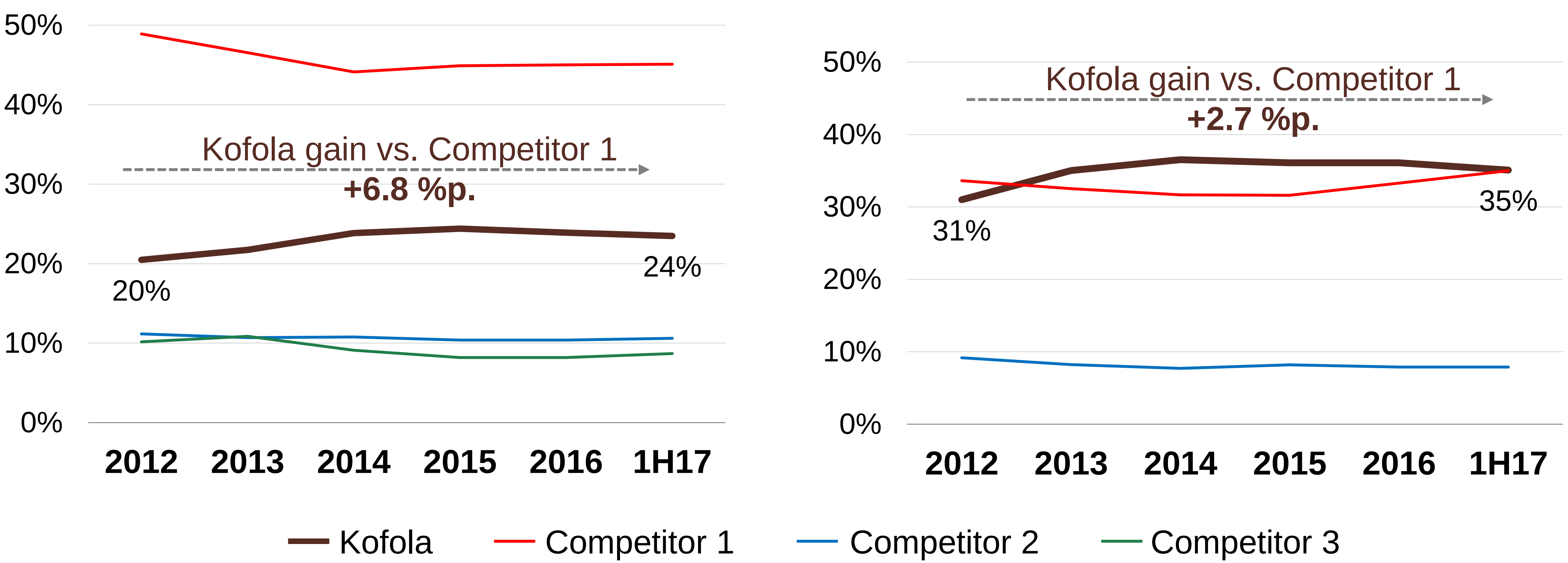
Kofola Retail market share (VALUE)



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

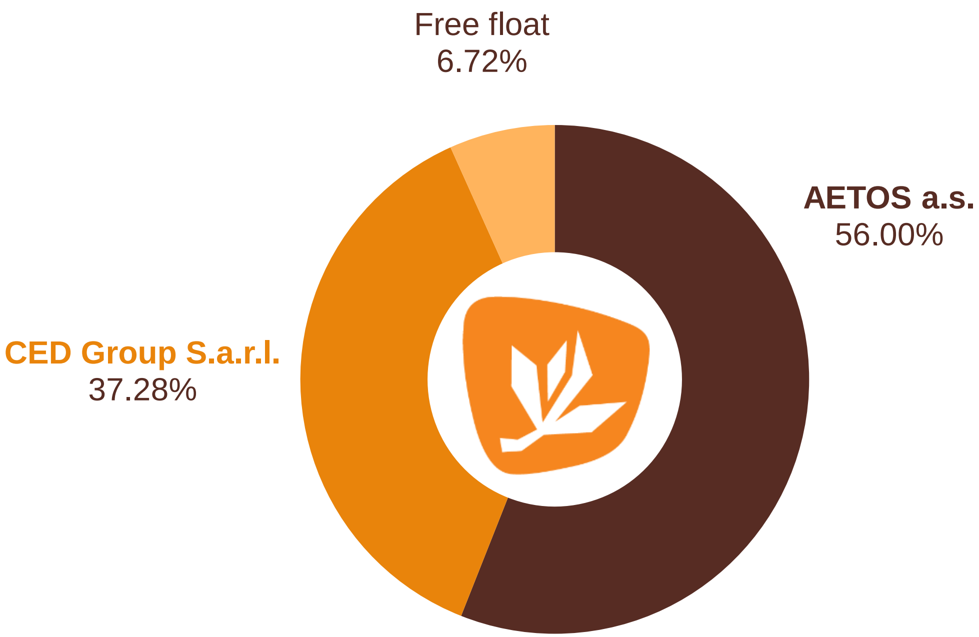
Kofola HoReCa market share (VOLUME)



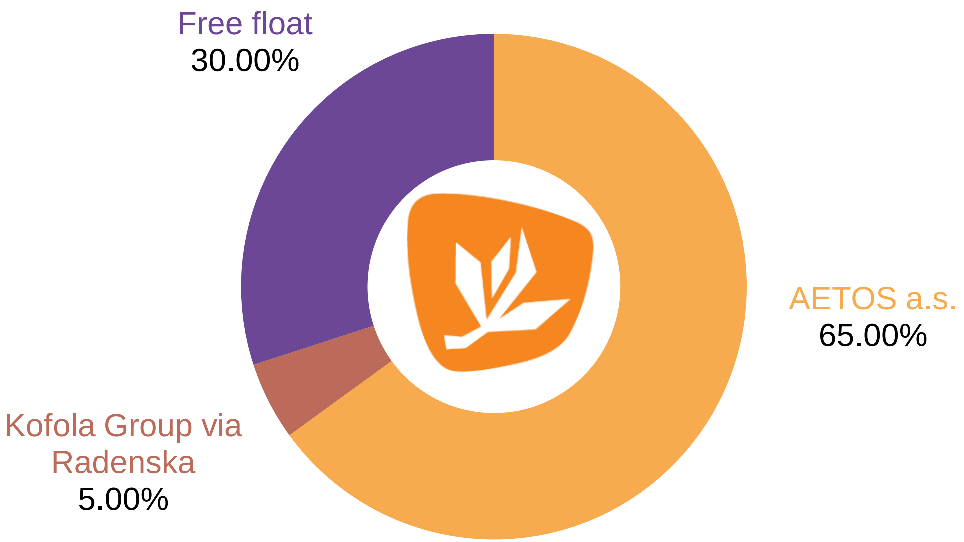
Based on AC Nielsen and Data Servis, Kofola incl. exclusively distributed brands, Kofola gain vs. Competitor 1 calculated between 2017 and 2012

Kofola Group ownership structure

Current ownership structure



Target ownership structure 2018

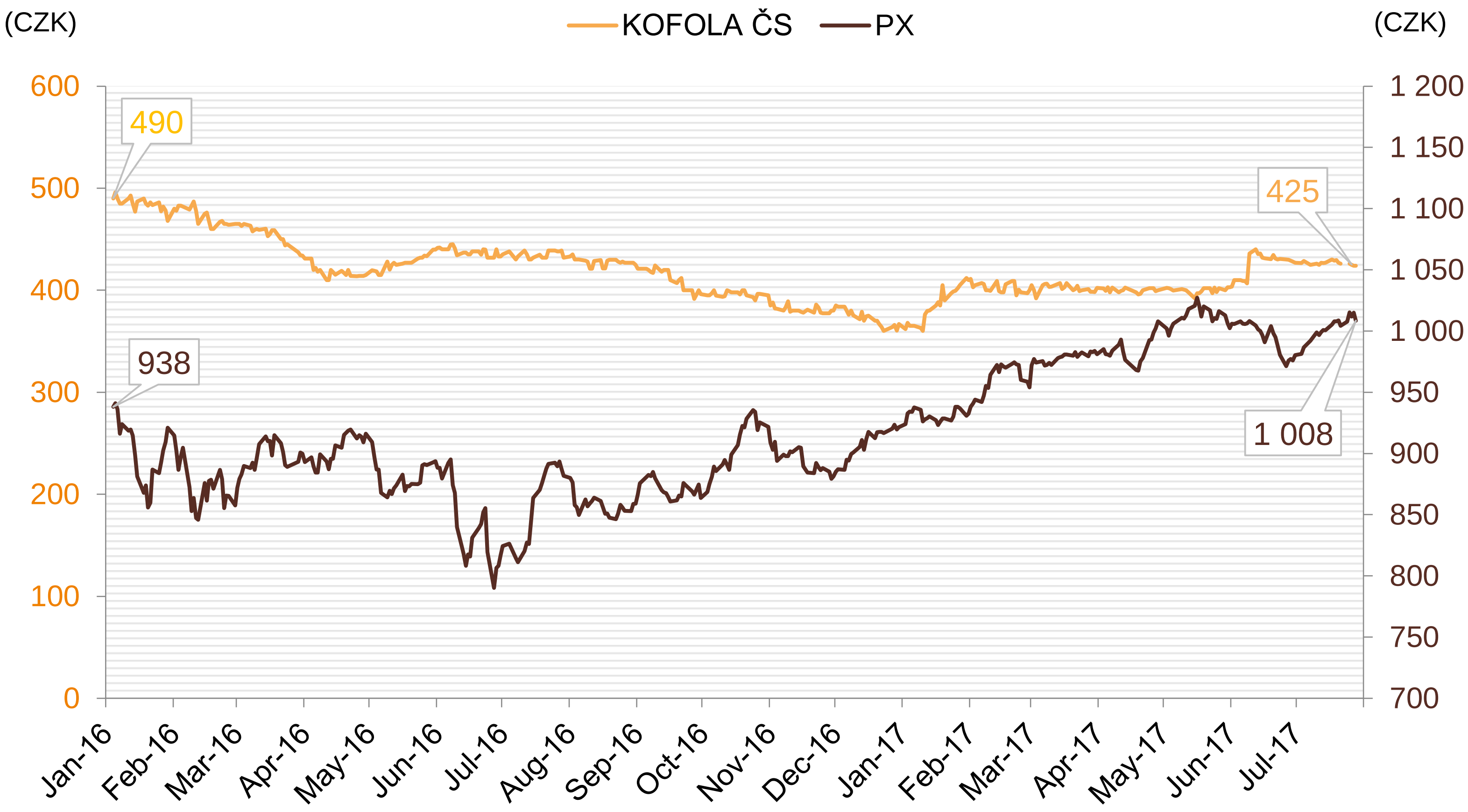


Changes in ownership structure

1. Establishment of AETOS a.s.
2. KSM, René Musila and Tomáš Jendřejek transfered their shares in Kofola to AETOS.
3. AETOS now owns 56 % of Kofola shares.
4. CED Group S.a.r.l. will sell 12 % of its shares in Kofola to AETOS for 440 CZK/share.
5. RADENSKA d.o.o. (a wholly owned subsidiary of Kofola) launched a tender offer for 5 % of shares in Kofola for 440 CZK/share.
6. Merger of KSM and AETOS (planned by YE2017).
7. AETOS will offer 3 % of shares in Kofola (private placement or SPO).
8. CED will offer its remaining share in Kofola (private placement or SPO).

Share price information

Share price information	6M17
6M average share price	403 CZK
6M average daily transaction activity	2 517 pcs.



Dividends

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.

Dividends for FY2016:

1. Advanced dividend 7 CZK/share (decisive date 7 November 2016). Dividend payable from 5 December 2016.
2. Dividend 13.50 CZK/share (decisive date 14 June 2017). Dividend payable from 21 July 2017.

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	6M2017**	6M2016**	2016*	2015*	2014*	2013*
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	3,370,982	3,504,381	6,998,960	7,190,838	6,275 391	6,287,894
Cost of sales	(2,030,857)	(2,139,019)	(4,211,593)	(4,352,102)	(3,881 359)	(4,300,767)
Gross profit	1,340,125	1,365,362	2,787,367	2,838,736	2,394 032	1,987,127
Selling, marketing and distribution costs	(1,057,392)	(924,373)	(1,876,854)	(1,884,399)	(1,607 706)	(1,388,750)
Administrative costs	(205,740)	(214,457)	(403,059)	(385,491)	(317,937)	(273,591)
Other operating income, net	2,217	30,585	33,903	20,567	(25,564)	42,939
Operating result	79,210	257,117	541,357	589,413	442,825	367,725
EBITDA	348,937	513,970	1,064,360	1,102,614	914,820	800,398

* Audited, ** Unaudited financial statements

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 6M2016, EBITDA was adjusted by one-off items: provision for impairment of financial receivable – Czech operation incurred net costs of CZK 18 mil., merger costs (CZK 6.6 mil.) and acquisition costs – Slovenian operation (CZK 5 mil.).

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.

Consolidated Statements of Financial Position & Cash Flow Statements

Consolidated statement of financial position	30.6.2017***	30.6.2016***	31.12.2016	31.12.2015**	31.12.2014	31.12.2013
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Non-current assets	4,851,498	4,989,684	4,915,863	7,190,838	6,275,391	6,287,894
Current assets	3,277,390	3,462,268	3,104,020	3,395,290	1,787,877	1,734,245
Total assets	8,128,888	8,451,952	8,019,883	8,491,014	5,959,862	5,867,100
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	2,433,996	2,923,987	2,736,572	2,820,969	2,569,449	2,515,253
Equity attributable to non-controlling interests	1,864	48,724	2,896	49,233	7,380	4,971
Total equity	2,435,860	2,972,711	2,739,468	2,859,421	2,576,829	2,520,224
Non-current liabilities	1,431,710	2,711,216	1,580,357	1,750,669	1,029,534	986,258
Current liabilities	4,261,318	2,768,025	3,700,058	3,880,924	2,353,499	2,360,618
Total liabilities	5,693,028	5,479,241	5,280,415	3,880,924	3,383,033	3,346,876
Total liabilities and equity	8,128,888	8,451,952	8,019,883	3,880,924	5,959,862	5,867,100

Consolidated statement of cash flows	6M17***	6M16***	2016	2015**	2014	2013
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Net cash flow from operating activities	224,820	85,642	655,330	935,241	962,426	686,880
Net cash flow from investing activities	(231,000)	(295,331)	(748,667)	(1,136,775)	(241,703)	(194,908)
Net cash flow from financing activities	(216,287)	(134,911)	(420,418)	1,546,637	(352,204)	(508,828)
Cash and cash equivalents at the beginning of the period	1,421,014	1,940,008	1,940,008	568,764	201,669	220,192*
Cash and cash equivalents at the end of the period	1,197,783	1,592,583	1,421,014	1,940,008	568,764	201,669

* Including cash flow from deconsolidated companies as at 1 January 2013 (Megapack group), ** Restated, *** Unaudited financial statements. All FS stated at year ends have been audited.

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