



KOFOLA ČESKOSLOVENSKO A.S.  
INTERIM REPORT 6M 2021 (UNAUDITED)





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## KOFOLA GROUP

one of top producers of branded non-alcoholic beverages in Central and Eastern Europe



**CZK 3.0 BN 6M21**  
REVENUES



**11**  
PRODUCTION PLANTS

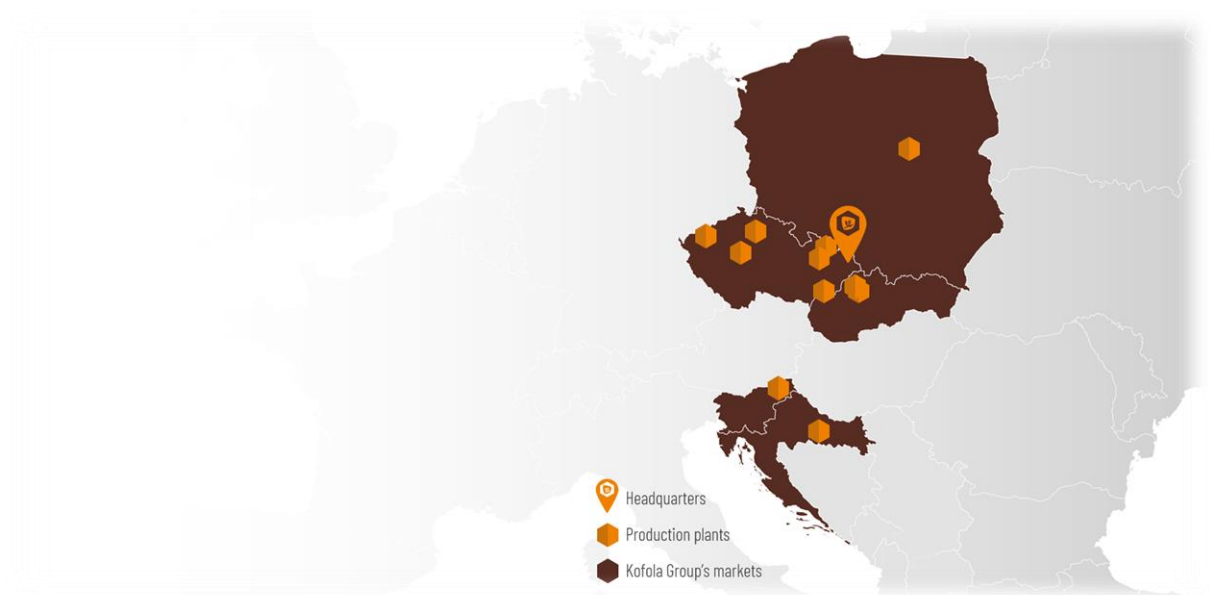


**1,993**  
EMPLOYEES

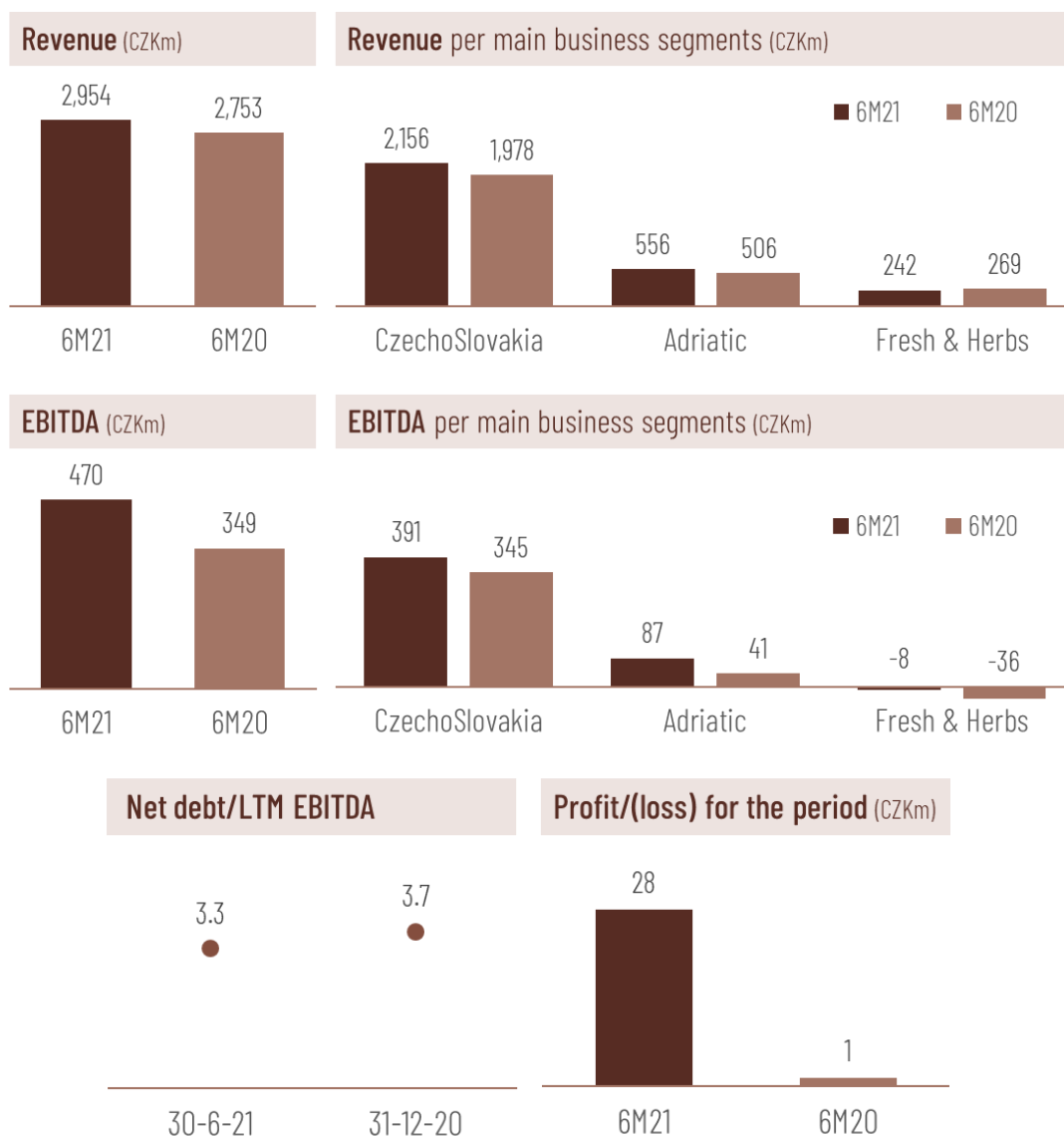


**LISTED ON**  
PRAGUE STOCK EXCHANGE

CZECHIA	SLOVAKIA	SLOVENIA	CROATIA
<b>No. 2</b> player in the soft drinks market	<b>No. 1</b> player in the soft drinks market	<b>No. 1</b> player in the soft drinks market <b>No. 1</b> water brand	<b>No. 2</b> water brand



## FOR THE 6M PERIOD

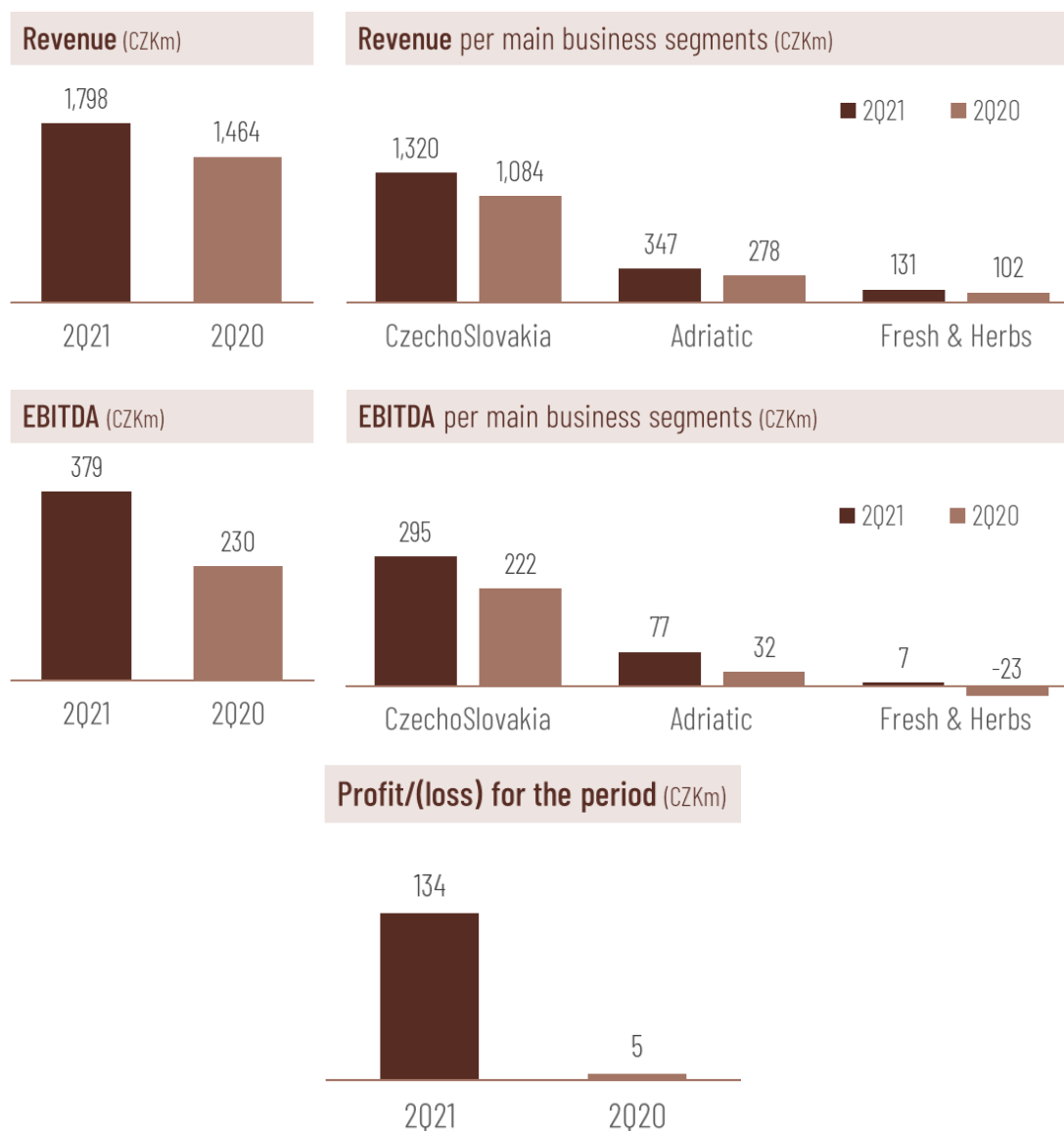


*The results and ratios above are based on adjusted results. For details on financial performance and reconciliation of reported and adjusted results refer to section 3.1.*

## MAIN INFORMATION IN 6M21:

- REVENUE INCREASED BY CZK 200.8 MIL. (7.3%).
- EBITDA INCREASED BY CZK 120.8 MIL. (34.6%).
- OUTSTANDING RESULTS IN 2Q 2021 OUTWEIGHED ADVERSE DEVELOPMENT IN 1Q 2021.
- OPERATING RESULT INCREASED BY CZK 104.9 MIL., NET PROFIT INCREASED BY CZK 26.2 MIL. (NEGATIVE FX IMPACT).
- DEMONSTRATION OF THE STRENGTH OF THE GROUP'S PORTFOLIO AND CUSTOMERS' LOYALTY TO KOFOLA BRANDS.
- HIGHLIGHT OF THE IMPORTANCE AND IMPACT OF THE SUMMER MONTHS ON GROUP'S ANNUAL RESULTS.

## FOR THE 2Q PERIOD



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

## MAIN INFORMATION IN 2Q21:

- REVENUE INCREASED BY CZK 334.7 MIL. (22.9%).
- EBITDA INCREASED BY CZK 148.6 MIL. (64.6%).
- OUTSTANDING EBITDA MARGIN OF 21.1% IN 2Q21.
- JUNE HAD THE BIGGEST EFFECT ON 2Q21 RESULTS.
- DEMONSTRATION OF THE GROUP'S READINESS FOR THE REOPENING OF HORECA.
- NET PROFIT INCREASED BY CZK 128.4 MIL.
- DEMONSTRATION OF THE STRENGTH OF THE GROUP'S PORTFOLIO AND CUSTOMERS' LOYALTY TO KOFOLA BRANDS.
- HIGHLIGHT OF THE IMPORTANCE AND IMPACT OF THE SUMMER MONTHS ON GROUP'S ANNUAL RESULTS.

## 2. KOFOLA GROUP



### 2.1. KOFOLA ČESKOSLOVENSKO

Kofola ČeskoSlovensko a.s. ("the Company") is a joint-stock company and was 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 that belongs to the top players in CzechoSlovakia.

The Group produces its products with care and love in eleven main production plants located in the Czech Republic (six plants), Slovakia (two plants), Slovenia (one plant), Croatia (one plant) and Poland (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 which are considered as one of our most environmentally friendly packaging. The Group distributes its products through Retail, HoReCa and Impulse channels.

#### KEY BRANDS

Key own brands include carbonated beverages Kofola and Vinea, waters Radenska, Studenac, Rajec, Ondrášovka, Korunní and Klášterná Kalcia, syrup Jupí, beverages for children Jupík, Semtex energy drink, UGO fresh juices and salads, Leros teas and coffee brand Café Reserva. In selected markets, the Group distributes among others Rauch, Evian, Badoit, Vincentka or Dilmah products and under the licence produces Royal Crown 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.

Main brands by categories are shown in the visualisation below:

CATEGORY	MAIN OWN BRANDS	DISTRIBUTED AND LICENCED BRANDS
Carbonated Beverages		
Waters		
Non-carbonated Beverages		
Syrups		
Fresh & Salad Bars		
Other		



## 2. KOFOLA GROUP

### 2.3. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 30 JUNE 2021



#### DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Segment (Note B 4.1)	Principal activities	Ownership interest and voting rights	
				30.6.2021	31.12.2020
<b>Holding companies</b>					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company	100.00%	100.00%
Alofok Ltd	Cyprus	n/a	in liquidation	100.00%	100.00%
<b>Production and trading</b>					
Kofola a.s.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO trade s.r.o.	Czech Republic	Fresh & Herbs	operation of Fresh bars chain, production of salads	90.00%	90.00%
RADENSKA d.o.o.	Slovenia	Adriatic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Studenac d.o.o.	Croatia	Adriatic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Premium Rosa Sp. z o.o.	Poland	Fresh & Herbs	production and distribution of syrups and jams	100.00%	100.00%
LEROS, s.r.o.	Czech Republic	Fresh & Herbs	production and distribution of products from medicinal plants and quality natural teas	100.00%	100.00%
Leros Slovakia, s.r.o.	Slovakia	Fresh & Herbs	distribution of products from medicinal plants and quality natural teas	100.00%	100.00%
F.H.Prager s.r.o.	Czech Republic	CzechoSlovakia	production and distribution of ciders	100.00%	100.00%
Minerálka s.r.o. - in liquidation*	Slovakia	CzechoSlovakia	liquidated	n/a	100.00%
ONDRÁŠOVKA a.s.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Karlovarská Korunní s.r.o.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Brute s.r.o.**	Czech Republic	CzechoSlovakia	marketing activities	100.00%	n/a
<b>Transportation</b>					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

\* Liquidated on 2 April 2021. \*\* Acquired on 17 June 2021.

## 2. KOFOLA GROUP



### 2.4. SUCCESSES AND AWARDS IN 2021



**Randstad Award** - 10th place for Kofola in the complete ranking of the most attractive employers in the Czech Republic, 2nd place in FMCG category.

**Package of the year** – Targa Florio has received two prizes - for the bottle and the label. Leros was awarded for the introduction of a new packaging concept.



## 3. BUSINESS OVERVIEW AND OTHER MATTERS



### 3.1. BUSINESS OVERVIEW

#### REVENUE DEVELOPMENT IN 6M21

Thanks to very successful 2Q21, revenue for whole 6M21 increased by 7.3%. This outstanding development results from earlier release of the COVID-19 related precautions, our readiness for the season and extremely good weather, especially in June 2021.

Revenue in the CzechoSlovakia business segment increased by 9.0%. This is mainly due to outstanding development in June 2021 when the segment was able to demonstrate a strength of its brands and which revealed customers' loyalty to traditional and well-known brands. It also demonstrates how much were people looking forward to reopening of the HoReCa segment.

Adriatic region is more dependent on tourism (especially Croatia). As such, the segment's revenue increased even a bit more than CzechoSlovakia (by 9.9%).

The total sales of CzechoSlovakia and Adriatic segments represented 91.8% of total Group sales (90.2% in 6M20).

Despite the increasing revenue of Premium Rosa and LEROS, the revenue in Fresh & Herbs segment as a whole decreased by 10.1% for 6M period. This is due to almost fully closed fresh and salad bars during whole 1Q21. In 2Q21, also UGO's revenue increased which lead to overall revenue increase for the business segment in the second quarter.

#### ADJUSTMENTS OF REPORTED PERFORMANCE AND POSITION

Presented below is a description of the financial performance and financial position of Kofola Group in 6M21. It should be read along with the financial statements and with other financial information contained in the attached consolidated 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. BUSINESS OVERVIEW AND OTHER MATTERS

### 3.1.1 ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Adjusted consolidated financial results	6M21	One-off adjustments	6M21 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	2,953.7	-	2,953.7
Cost of sales	(1,694.6)	-	(1,694.6)
<b>Gross profit</b>	<b>1,259.1</b>	-	<b>1,259.1</b>
Selling, marketing and distribution costs	(929.6)	-	(929.6)
Administrative costs	(221.8)	-	(221.8)
Other operating income/(costs), net	55.2	(3.2)	52.0
<b>Operating profit/(loss)</b>	<b>162.9</b>	<b>(3.2)</b>	<b>159.7</b>
Depreciation and amortisation	315.8	(5.6)	310.2
<b>EBITDA</b>	<b>478.7*</b>	<b>(8.8)</b>	<b>469.9**</b>
Finance costs, net	(83.9)	3.6	(80.3)
Income tax	(53.4)	1.6	(51.8)
<b>Profit/(loss) for the period</b>	<b>25.6</b>	<b>2.0</b>	<b>27.6</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	30.9	2.0	32.9

\* EBITDA refers to operating profit/(loss) 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, including in particular results from the sale of non-current assets and financial assets, costs not arising from ordinary operations, such as those associated with the impairment of property, plant and equipment, financial assets, goodwill and intangible assets, relocation costs and the costs of Group layoffs.

The result of the Kofola Group for the 6-month period ended 30 June 2021 was affected by the following one-off items:

*In Other operating income/(costs), net:*

- The impairment of Property, plant and equipment of CZK 2.6 million (Fresh & Herbs segment) and release of impairment of CZK 0.3 million (CzechoSlovakia segment).
- Costs connected with the earlier termination of rental contracts of CZK 2.1 million (Fresh & Herbs segment).
- Costs connected with the maintenance of closed Grodzisk Wielkopolski plant of CZK 1.2 million (Fresh & Herbs segment).
- Restructuring costs of CZK 1.0 million (Fresh & Herbs segment).
- Costs arising on integration of acquired subsidiaries of CZK 0.3 million (CzechoSlovakia segment).
- Advisory costs – CzechoSlovakia segment incurred costs of CZK 0.2 million.
- Net gain on sold items of Property, plant and equipment of CZK 10.3 million recognized in all business segments (mainly CzechoSlovakia).

### 3. BUSINESS OVERVIEW AND OTHER MATTERS

Adjusted consolidated financial results	6M20	One-off adjustments	6M20 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	2,752.9	-	2,752.9
Cost of sales	(1,561.8)	-	(1,561.8)
<b>Gross profit</b>	<b>1,191.1</b>	-	<b>1,191.1</b>
Selling, marketing and distribution costs	(947.9)	-	(947.9)
Administrative costs	(211.1)	-	(211.1)
Other operating income/(costs), net	(71.7)	94.4	22.7
<b>Operating profit/(loss)</b>	<b>(39.6)</b>	<b>94.4</b>	<b>54.8</b>
Depreciation and amortisation	300.5	(6.2)	294.3
<b>EBITDA</b>	<b>260.9*</b>	<b>88.2</b>	<b>349.1**</b>
Finance costs, net	(19.3)	0.1	(19.2)
Income tax	(30.9)	(3.3)	(34.2)
<b>Profit/(loss) for the period</b>	<b>(89.8)</b>	<b>91.2</b>	<b>1.4</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	(82.5)	91.2	8.7

\* EBITDA refers to operating profit/(loss) 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, including in particular results from the sale of non-current assets and financial assets, costs not arising from ordinary operations, such as those associated with the impairment of property, plant and equipment, financial assets, goodwill and intangible assets, relocation costs and the costs of Group layoffs.

The result of the Kofola Group for the 6-month period ended 30 June 2020 was affected by the following one-off items:

*In Other operating income/(costs), net:*

- The impairment of CZK 35.4 million related to the production of UGO bottles (Fresh & Herbs segment).
- Restructuring costs (mainly payroll expenses) in CzechoSlovakia segment of CZK 24.3 million and in Fresh & Herbs segment of CZK 3.1 million.
- Advisory costs – CzechoSlovakia segment incurred costs of CZK 12.0 million.
- Costs connected with the maintenance of closed Grodzisk Wielkopolski plant of CZK 10.6 million (Fresh & Herbs segment).
- Costs for support of the parties impacted by COVID-19 of CZK 5.9 million, e.g. #zlasky (CzechoSlovakia segment).
- Costs arising on merger between LEROS and Espresso (Fresh & Herbs segment) of CZK 1.8 million.
- Costs arising on integration of newly acquired subsidiaries of CZK 1.7 million (CzechoSlovakia segment).
- Net gain on sold items of Property, plant and equipment of CZK 0.4 million recognized in all business segments.

## 3. BUSINESS OVERVIEW AND OTHER MATTERS

### 3.1.2 FINANCIAL PERFORMANCE

Adjusted consolidated financial results	6M21		6M20		Change CZK'000 000	Change %
	Revenue	Share	Revenue	Share		
Revenue	2,953.7	73.0%	2,752.9	71.8%	200.8	7.3%
Cost of sales	(1,694.6)		(1,561.8)		(132.8)	8.5%
<b>Gross profit</b>	<b>1,259.1</b>		<b>1,191.1</b>		<b>68.0</b>	<b>5.7%</b>
Selling, marketing and distribution costs	(929.6)		(947.9)		18.3	(1.9%)
Administrative costs	(221.8)		(211.1)		(10.7)	5.1%
Other operating income/(costs), net	52.0		22.7		29.3	129.1%
<b>Operating profit/(loss)</b>	<b>159.7</b>		<b>54.8</b>		<b>104.9</b>	<b>191.4%</b>
<b>EBITDA</b>	<b>469.9</b>		<b>349.1</b>		<b>120.8</b>	<b>34.6%</b>
Finance costs, net	(80.3)		(19.2)		(61.1)	318.2%
Income tax	(51.8)		(34.2)		(17.6)	51.5%
<b>Profit/(loss) for the period (continuing operations)</b>	<b>27.6</b>		<b>1.4</b>		<b>26.2</b>	<b>1,871.4%</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	32.9		8.7		24.2	278.2%

#### REVENUE

Group's revenue increased as a result of a very positive development in the second quarter of 2021, especially in June. There was a release of COVID-19 related precautions in the second quarter of 2021 that led to reopening of the HoReCa. This fact combined with a very warm weather, our readiness for the season and people's desire to meet with others in the bars and restaurants helped our revenue to grow significantly.

The following table sets forth revenue split by business segments.

Business segments	6M21		6M20		Change CZK'000 000	Change %
	Revenue	Share	Revenue	Share		
CzechoSlovakia	2,155.5	73.0%	1,977.5	71.8%	178.0	9.0%
Adriatic	556.0	18.8%	505.9	18.4%	50.1	9.9%
Fresh & Herbs	242.2	8.2%	269.5	9.8%	(27.3)	(10.1%)
<b>Total</b>	<b>2,953.7</b>	<b>100.0%</b>	<b>2,752.9</b>	<b>100.0%</b>	<b>200.8</b>	<b>7.3%</b>

Revenue development of particular segments is described within section 3.1 Revenue development in 6M21.

The following table sets forth sales split by category of products.

Product lines	6M21		6M20		Change CZK'000 000	Change %
	Revenue	Share	Revenue	Share		
Carbonated beverages	1,066.8	36.1%	1,051.4	38.2%	15.4	1.5%
Waters	1,042.4	35.3%	871.0	31.6%	171.4	19.7%
Non-carbonated beverages	270.1	9.1%	265.2	9.6%	4.9	1.8%
Syrups	247.3	8.4%	235.6	8.6%	11.7	5.0%
Fresh bars & Salads	86.2	2.9%	120.7	4.4%	(34.5)	(28.6%)
Other	240.9	8.2%	209.0	7.6%	31.9	15.3%
<b>Total</b>	<b>2,953.7</b>	<b>100.0%</b>	<b>2,752.9</b>	<b>100.0%</b>	<b>200.8</b>	<b>7.3%</b>

Water segment increased both due to the acquisition of ONDRÁŠOVKA and Karlovarská Korunní and also due to significant growth of sales of other brands in 2Q21. Increase in Other is mainly driven by increased sales of Semtex but also increasing revenue in LEROS.

The following table contains information about the geographical areas.

Sales by countries (per end customer)	6M21		6M20		Change CZK'000 000	Change %
	Revenue	Share	Revenue	Share		
Czech Republic	1,607.2	54.4%	1,476.3	53.6%	130.9	8.9%
Slovakia	739.8	25.0%	717.2	26.1%	22.6	3.2%
Slovenia	349.7	11.8%	332.5	12.1%	17.2	5.2%
Croatia	160.3	5.4%	136.6	5.0%	23.7	17.3%
Poland	37.4	1.3%	35.6	1.3%	1.8	5.1%
Other	59.3	2.1%	54.7	1.9%	4.6	8.4%
<b>Total</b>	<b>2,953.7</b>	<b>100.0%</b>	<b>2,752.9</b>	<b>100.0%</b>	<b>200.8</b>	<b>7.3%</b>

### 3. BUSINESS OVERVIEW AND OTHER MATTERS



The allocation of revenue to a particular country segment is based on the geographical location of customers.

Czech Republic sales increased more than Slovakia sales due to the acquisition of ONDRÁŠOVKA and Karlovarská Korunní.

Significant increase of sales in Croatia is because of its higher dependency on tourism that improved in this year.

Poland revenue is represented mainly by Premium Rosa which produces and distributes syrups and jams from fruits and herbs. These products support the healthy lifestyle and as such were subject to increased demand. We are also successfully developing own brands business in Poland.

#### COST OF SALES

Cost of sales increased (in percentage terms) slightly more than sales due to increased material prices and also due to acquired subsidiaries ONDRÁŠOVKA and Karlovarská Korunní.

#### SELLING, MARKETING AND DISTRIBUTION COSTS

Selling, marketing and distribution costs decreased mainly due to lower brand costs and lower expenses in sales department.

#### ADMINISTRATIVE COSTS

Administrative costs increased mainly due to higher personnel expenses (which include also new option scheme).

#### EBITDA

The following table sets forth information regarding adjusted EBITDA.

Adjusted EBITDA	6M21	6M20
	CZK'000 000/%	CZK'000 000/%
EBITDA*	469.9	349.1
EBITDA margin**	15.9%	12.7%

\* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.

\*\* Calculated as (EBITDA/Revenue)\*100%.

The following table sets forth information regarding adjusted EBITDA split by business segments.

Adjusted EBITDA by business segments	6M21		6M20		Change	
	EBITDA	EBITDA margin	EBITDA	EBITDA margin	CZK'000 000	%
	CZK'000 000	%	CZK'000 000	%		
CzechoSlovakia	390.6	18.1%	344.8	17.4%	45.8	13.3%
Adriatic	86.9	15.6%	40.5	8.0%	46.4	114.6%
Fresh & Herbs	(7.6)	(3.1%)	(36.0)	(13.4%)	28.4	78.9%
Other	-	n/a	(0.2)	n/a	0.2	100.0%
<b>Total</b>	<b>469.9</b>	<b>15.9%</b>	<b>349.1</b>	<b>12.7%</b>	<b>120.8</b>	<b>34.6%</b>

Both absolute and also relative growth in the Adriatic business segment results from better tourist season.

Better EBITDA of the Fresh & Herbs segment is mainly a result of reopening of UGO stores. UGO is also utilizing the government support for the months in which the stores were closed.

#### FINANCE COSTS, NET

Financial result was significantly influenced by FX losses from EUR receivables and to a smaller extent by lower market interest rates that decreased the Group's interest expense.

#### INCOME TAX

Higher income tax is a result of higher taxable profits.

## 3. BUSINESS OVERVIEW AND OTHER MATTERS

### 3.1.3 FINANCIAL PERFORMANCE IN 2Q

Adjusted consolidated financial results	2Q21	2Q20	Change	Change
	CZK'000 000	CZK'000 000	CZK'000 000	%
Revenue	1,798.3	1,463.6	334.7	22.9%
Cost of sales	(949.3)	(822.9)	(126.4)	15.4%
<b>Gross profit</b>	<b>849.0</b>	<b>640.7</b>	<b>208.3</b>	<b>32.5%</b>
Selling, marketing and distribution costs	(530.0)	(490.8)	(39.2)	8.0%
Administrative costs	(116.5)	(94.8)	(21.7)	22.9%
Other operating income/(costs), net	24.1	21.2	2.9	13.7%
<b>Operating profit/(loss)</b>	<b>226.6</b>	<b>76.3</b>	<b>150.3</b>	<b>197.0%</b>
<b>EBITDA</b>	<b>378.8</b>	<b>230.2</b>	<b>148.6</b>	<b>64.6%</b>
Finance costs, net	(47.4)	(52.2)	4.8	(9.2%)
Income tax	(45.5)	(18.8)	(26.7)	142.0%
<b>Profit/(loss) for the period</b>	<b>133.7</b>	<b>5.3</b>	<b>128.4</b>	<b>2,422.6%</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	134.6	8.9	125.7	1,412.4%

Sales increased more than Cost of sales due to outstanding revenue growth and positive sales mix.

Administrative expenses increased in percentage terms more than Selling, marketing and distribution costs because of higher payroll expenses in the Administrative department (bonuses connected with the extraordinary workload at the end of second quarter of 2021 and new option scheme) and savings in the marketing and sales department.

Higher income tax is a result of higher taxable profits.

The following table sets forth revenue split by business segments.

Business segments	2Q21		2Q20		Change	
	Revenue	Share	Revenue	Share	Revenue	Change
	CZK'000 000	%	CZK'000 000	%	CZK'000 000	%
CzechoSlovakia	1,319.9	73.4%	1,084.3	74.1%	235.6	21.7%
Adriatic	346.9	19.3%	278.0	19.0%	68.9	24.8%
Fresh & Herbs	131.5	7.3%	101.3	6.9%	30.2	29.8%
<b>Total</b>	<b>1,798.3</b>	<b>100.0%</b>	<b>1,463.6</b>	<b>100.0%</b>	<b>334.7</b>	<b>22.9%</b>

Revenue development presented in the table above is in line with the information already presented within this report.

The following table sets forth sales split by category of products.

Product lines	2Q21		2Q20		Change	
	Revenue	Share	Revenue	Share	Revenue	Change
	CZK'000 000	%	CZK'000 000	%	CZK'000 000	%
Carbonated beverages	673.6	37.5%	548.2	37.5%	125.4	22.9%
Waters	649.0	36.1%	522.1	35.7%	126.9	24.3%
Non-carbonated beverages	159.4	8.9%	117.4	8.0%	42.0	35.8%
Syrups	130.8	7.3%	127.5	8.7%	3.3	2.6%
Fresh bars & Salads	61.9	3.4%	39.7	2.7%	22.2	55.9%
Other	123.6	6.8%	108.7	7.4%	14.9	13.7%
<b>Total</b>	<b>1,798.3</b>	<b>100.0%</b>	<b>1,463.6</b>	<b>100.0%</b>	<b>334.7</b>	<b>22.9%</b>

Increase of Non-carbonated beverages was influenced mainly by increased sales of Rauch (HoReCa formats).

The following table contains information about the geographical areas.

Sales by countries (per end customer)	2Q21		2Q20		Change	
	Revenue	Share	Revenue	Share	Revenue	Change
	CZK'000 000	%	CZK'000 000	%	CZK'000 000	%
Czech Republic	966.0	53.7%	794.1	54.3%	171.9	21.6%
Slovakia	463.5	25.8%	367.7	25.1%	95.8	26.1%
Slovenia	219.0	12.2%	182.2	12.4%	36.8	20.2%
Croatia	101.9	5.7%	77.8	5.3%	24.1	31.0%
Poland	16.4	0.9%	13.8	0.9%	2.6	18.8%
Other	31.5	1.7%	28.0	2.0%	3.5	12.5%
<b>Total</b>	<b>1,798.3</b>	<b>100.0%</b>	<b>1,463.6</b>	<b>100.0%</b>	<b>334.7</b>	<b>22.9%</b>



### 3. BUSINESS OVERVIEW AND OTHER MATTERS



Revenue development presented in the table above is in line with the information already presented within this report.

Adjusted EBITDA	2Q21	2Q20
	CZK'000 000/%	CZK'000 000/%
EBITDA*	378.8	230.2
EBITDA margin**	21.1%	15.7%

\* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.

\*\* Calculated as (EBITDA/Revenue)\*100%.

The following table sets forth information regarding adjusted EBITDA split by business segments.

Adjusted EBITDA by business segments	2Q21		2Q20		Change	
	EBITDA	EBITDA margin	EBITDA	EBITDA margin		
	CZK'000 000	%	CZK'000 000	%	CZK'000 000	%
CzechoSlovakia	295.1	22.4%	221.8	20.5%	73.3	33.0%
Adriatic	77.0	22.2%	31.5	11.3%	45.5	144.4%
Fresh & Herbs	6.7	5.1%	(23.0)	(22.7%)	29.7	129.1%
Other	-	n/a	(0.1)	n/a	0.1	100.0%
<b>Total</b>	<b>378.8</b>	<b>21.1%</b>	<b>230.2</b>	<b>15.7%</b>	<b>148.6</b>	<b>64.6%</b>

EBITDA development presented in the table above is in line with the information already presented within this report.

## 3. BUSINESS OVERVIEW AND OTHER MATTERS

### 3.1.4 FINANCIAL POSITION

Consolidated statement of financial position	30.6.2021 CZK'000 000	31.12.2020 CZK'000 000	Change CZK'000 000	Change %
<b>Total assets</b>	<b>7,684.8</b>	<b>7,537.3</b>	<b>147.5</b>	<b>2.0%</b>
<b>Non-current assets</b>	<b>5,446.1</b>	<b>5,683.6</b>	<b>(237.5)</b>	<b>(4.2%)</b>
Property, plant and equipment	3,336.9	3,448.6	(111.7)	(3.2%)
Intangible assets	1,291.5	1,339.2	(47.7)	(3.6%)
Goodwill	648.2	647.0	1.2	0.2%
Deferred tax assets	37.1	40.1	(3.0)	(7.5%)
Other	132.4	208.7	(76.3)	(36.6%)
<b>Current assets</b>	<b>2,238.7</b>	<b>1,853.7</b>	<b>385.0</b>	<b>20.8%</b>
Inventories	606.9	519.2	87.7	16.9%
Trade and other receivables	1,083.6	783.4	300.2	38.3%
Cash and cash equivalents	526.6	543.9	(17.3)	(3.2%)
Other	21.6	7.2	14.4	200.0%
<b>Total equity and liabilities</b>	<b>7,684.8</b>	<b>7,537.3</b>	<b>147.5</b>	<b>2.0%</b>
<b>Equity</b>	<b>1,328.7</b>	<b>1,307.2</b>	<b>21.5</b>	<b>1.6%</b>
<b>Non-current liabilities</b>	<b>3,690.6</b>	<b>3,993.3</b>	<b>(302.7)</b>	<b>(7.6%)</b>
Bank credits and loans	3,017.5	3,252.2	(234.7)	(7.2%)
Lease liabilities	327.6	322.4	5.2	1.6%
Deferred tax liabilities	287.0	286.0	1.0	0.3%
Other	58.5	132.7	(74.2)	(55.9%)
<b>Current liabilities</b>	<b>2,665.5</b>	<b>2,236.8</b>	<b>428.7</b>	<b>19.2%</b>
Bank credits and loans	863.3	685.2	178.1	26.0%
Lease liabilities	132.0	132.4	(0.4)	(0.3%)
Trade and other payables	1,631.7	1,320.9	310.8	23.5%
Other	38.5	98.3	(59.8)	(60.8%)

#### ASSETS

Property, plant and equipment decreased mainly as a net result of additions (including lease additions) of CZK 236.3 million, depreciation charge of CZK 279.4 million and downward FX revaluation of foreign subsidiaries' assets of CZK 43.8 million. The most significant additions realized by the Group in 6M21 were represented by investments into the production machinery, returnable packages, vehicles and assets arising as a result of the lease capitalization.

Intangible assets decreased mainly as a result of amortization expense of CZK 40.3 million.

Other non-current assets contain mainly prepayments, deferred expenses and receivable from derivatives. The decrease is attributable mainly to the decrease of the receivable related to the government grant due to management decision not to utilize the existing entitlement from the government grant in relation to the new administrative premises. However, the management still plans to continue with the project. Decrease of the balance was also caused by the sale of bonds.

Trade and other receivables increased mainly due to higher trade receivables.

#### LIABILITIES

Decrease of Bank credits and loans is a net result of regular repayments and drawings of the Group's overdraft.

The Group's provisions decreased by CZK 32.5 million to CZK 75.6 million which is a net result of payment of annual employee bonuses and creation of the provision for employee bonuses related to 2021.

Decrease of other non-current liabilities is connected with the release of the receivable from the government grant (as described above).

Trade and other payables increased due to higher trade payables, VAT payable and higher advances received for the returnable packages.

The Group's consolidated Net debt (calculated as total non-current and current liabilities relating to credits, loans, leases and other debt instruments less cash and cash equivalents) amounted to CZK 3,813.8 million as at 30 June 2021, which represents a decrease of CZK 34.5 million compared to CZK 3,848.3 million as at 31 December 2020.

Thanks to very successful 2Q21, the Group's consolidated Net debt / Adjusted LTM EBITDA as at 30 June 2021 was of 3.3 (as of 31 December 2020: 3.7).

## 3. BUSINESS OVERVIEW AND OTHER MATTERS



As of 30 June 2021, the Group obtained a bank waiver for the breach of covenant Debt service coverage ratio.

### 3.1.5 CASHFLOWS

Increase of Cash flows from operating activities is attributable to the favourable results in 2Q21.

Decrease of Cash flows from investing activities results mainly from acquisition of ONDRÁŠOVKA and Karlovarská Korunní in 6M20. The Group has also significantly cut the CAPEX for 2021 as a reaction to COVID-19 pandemic.

Lower Cash flows from financing activities result mainly from loan received for the acquisition of ONDRÁŠOVKA and Karlovarská Korunní in 6M20. The amount of dividends paid in 6M21 of CZK 13.1 million represents the withholding tax that was due in January 2021.

### 3.1.6 EXPECTED DEVELOPMENT IN SUBSEQUENT 6 MONTHS

CzechoSlovakia segment will continue to build and further enhance its competence of being comprehensive supplier with the complete offer of beverages. In the Retail channel, CzechoSlovakia segment will mainly support its most significant brands Kofola, Rajec, Jupí and others while the focus will also be given on further development of mineral waters Ondrášovka, Korunní and Klášťorná Kalcia. In the HoReCa channel, the priority will again be given to draught Kofola, further support of latest portfolio additions Café Reserva and F.H.Prager ciders and also brand new innovations such as Trepallini coffee and Targa Florio lemonade. Mainly the HoReCa channel will still face the COVID situation and as such the revenue from this channel will be lower compared to preCOVID times, however it is still very important channel where the aim is to continuously increase market share, presence and visibility. CzechoSlovakia segment will face increasing raw materials prices, these will be covered by internal savings and increased focus on sales execution.

In the Adriatic region, we will continue to increase market and profit share, our focus will be on Croatian market in the water category. We are also working on cost optimization in Croatia, we have transferred production of Nara and Inka products from Radenci to Lipik. To improve business in Horeca due to COVID situation, we will continue with successful cooperation with FRUCTAL and on upgrade of the E-platform project. In the last quarter, we are planning to enter with a new category of drink in the HoReCa channel. If anything, the pandemic did teach us that we need to be more self-sufficient. Therefore, we have decided to act on it and establish GIZ (economic interest group) "Lokalno je obetavno" ("Local is promising"). Main goals of this association is protecting water sources, establishing a circular economy in the local environment and supporting young people in the local community.

LEROS will continue in organic growth and investments into our brands (Leros, Café reserva, Trepallini). We believe that our cosmetics line will boost e-shop sales and we will also introduce a new tea brand. In case of another lockdown, we will keep our cost discipline.

Premium Rosa will continue in its organic growth via traditional trade, modern trade and export. We expect to meet our expectations in terms of both revenue and EBITDA, however the overall performance will be dependent on the results in Sep-Dec 2021.

In UGO, due the current COVID situation, we're mostly focused on Delivery and E-commerce growth for our QSR segment. Only one new Freshbar is planned to be opened in Sep 2021 in Central Train Station of Prague. UGO is continuing to develop further cooperation in Private Label production for biggest retail concepts as to support UGO branded healthy and fresh drinks (juices, smoothies, lemonades, vitamin water) and salads in all types of Retail (Supermarkets, Shops, E-shop, Trains, Gas stations etc.). Both production plants (PET & FOOD) are optimally equipped and supply our customers with high quality products.

We will further continue in our significant contributions to the environmental protection. We plan to further support the development of our own brands and also the distribution of our partners' brands with focus on CEE region.

We will be still dealing with the continuing impacts of COVID-19 pandemic situation, as outlined within section B 4.18 COVID-19.

## 3. BUSINESS OVERVIEW AND OTHER MATTERS

### 3.1.7 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
<b>Gross profit</b>	<b>A+B=C</b>	Statement of Profit or Loss	<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/(costs), net	F	Statement of Profit or Loss	Other operating income + Other operating expenses
<b>Operating profit/(loss)</b>	<b>C+D+E+F=G</b>	Statement of Profit or Loss	<b>Operating profit/(loss)</b>
Depreciation and amortisation	H	Statement of Cash Flows	Depreciation and amortisation
<b>EBITDA</b>	<b>G+H=I</b>	-	-
Bank credits and loans	J	Statement of Financial Position	Bank credits and loans*
Lease liabilities	K	Statement of Financial Position	Lease liabilities*
Cash and cash equivalents	L	Statement of Financial Position	Cash and cash equivalents
<b>Net debt</b>	<b>J+K-L=M</b>	-	-
Net debt/EBITDA	M/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 amortisation 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.

#### IFRS 16 IMPACT ON APM

Initial application of IFRS 16 standard didn't have any impact on the calculation of particular APMs.

### 3.1.8 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. Updated dividend policy for 2021 and following years will be approved on the annual General Meeting which is planned in the fourth quarter of 2021.

## 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.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS 6M 2021  
KOFOLA ČESKOSLOVENSKO A.S.  
(UNAUDITED)

# 1. CONSOLIDATED FINANCIAL STATEMENTS



## 1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 6-month and 3-month period ended 30 June 2021 and 30 June 2020 in CZK thousand.

Consolidated statement of profit or loss	Note	6M21	6M20	2Q21	2Q20
		CZK' 000	CZK' 000	CZK' 000	CZK' 000
Revenue	4.2	2,953,671	2,752,923	1,798,305	1,463,602
Cost of sales	4.3	(1,694,646)	(1,561,788)	(949,308)	(822,870)
<b>Gross profit</b>		<b>1,259,025</b>	<b>1,191,135</b>	<b>848,997</b>	<b>640,732</b>
Selling, marketing and distribution costs	4.3	(929,583)	(947,911)	(530,019)	(490,788)
Administrative costs	4.3	(221,809)	(211,114)	(116,519)	(94,817)
Other operating income	4.4	71,007	30,018	34,267	27,167
Other operating expenses	4.5	(15,849)	(66,436)	(5,393)	(56,371)
Impairment	4.10	-	(35,399)	-	(35,399)
<b>Operating profit/(loss)</b>		<b>162,791</b>	<b>(39,707)</b>	<b>231,333</b>	<b>(9,476)</b>
Finance income	4.6	1,921	45,635	485	584
Finance costs	4.7	(85,867)	(64,863)	(51,564)	(52,752)
<b>Profit/(loss) before income tax</b>		<b>78,845</b>	<b>(58,935)</b>	<b>180,254</b>	<b>(61,644)</b>
Income tax (expense)/benefit	4.8	(53,394)	(30,908)	(47,095)	(15,558)
<b>Profit/(loss) for the period</b>	1.2	<b>25,451</b>	<b>(89,843)</b>	<b>133,159</b>	<b>(77,202)</b>
<i>Attributable to:</i>					
Owners of Kofola ČeskoSlovensko a.s.	1.5	30,770	(82,450)	134,080	(73,507)
Non-controlling interests	1.5	(5,319)	(7,393)	(921)	(3,695)
<b>Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company (in CZK)</b>					
Basic earnings/(loss) per share	4.9	1.38	(3.70)	6.01	(3.30)

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

# 1. CONSOLIDATED FINANCIAL STATEMENTS



## 1.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 6-month and 3-month period ended 30 June 2021 and 30 June 2020 in CZK thousand.

Consolidated statement of other comprehensive income	Note	6M21 CZK'000	6M20 CZK'000	2Q21 CZK'000	2Q20 CZK'000
<b>Profit/(loss) for the period</b>	1.1	<b>25,451</b>	<b>(89,843)</b>	<b>133,159</b>	<b>(77,202)</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss:</i>					
<b>Exchange differences</b>		<b>(34,299)</b>	<b>48,865</b>	<b>(27,553)</b>	<b>(25,567)</b>
<i>Exchange differences on translation of foreign subsidiaries</i>		<i>(34,299)</i>	<i>48,865</i>	<i>(27,553)</i>	<i>(25,567)</i>
<b>Derivatives accounted through Other comprehensive income</b>		<b>26,108</b>	<b>(23,363)</b>	<b>8,478</b>	<b>(2,347)</b>
<i>Derivatives - Cash flow hedges</i>		<i>32,232</i>	<i>(28,843)</i>	<i>10,467</i>	<i>(2,897)</i>
<i>Deferred tax from Cash flow hedges</i>	4.8	<i>(6,124)</i>	<i>5,480</i>	<i>(1,989)</i>	<i>550</i>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(8,191)</b>	<b>25,502</b>	<b>(19,075)</b>	<b>(27,914)</b>
<b>Total comprehensive income/(loss) for the period</b>	1.5	<b>17,260</b>	<b>(64,341)</b>	<b>114,084</b>	<b>(105,116)</b>
<b>Attributable to:</b>					
Owners of Kofola ČeskoSlovensko a.s.	1.5	22,579	(56,948)	115,005	(101,421)
Non-controlling interests	1.5	(5,319)	(7,393)	(921)	(3,695)

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

# 1. CONSOLIDATED FINANCIAL STATEMENTS



## 1.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021 and 31 December 2020 in CZK thousand.

Assets	Note	30.6.2021	31.12.2020
		CZK' 000	CZK' 000
<b>Non-current assets</b>		<b>5,446,052</b>	<b>5,683,537</b>
Property, plant and equipment	4.10	3,336,926	3,448,570
Goodwill	4.11	648,198	647,019
Intangible assets	4.11	1,291,498	1,339,224
Other receivables		132,346	208,651
Deferred tax assets		37,084	40,073
<b>Current assets</b>		<b>2,238,751</b>	<b>1,853,712</b>
Inventories		606,904	519,192
Trade and other receivables		1,083,629	783,420
Income tax receivables		21,619	7,211
Cash and cash equivalents	1.4	526,599	543,889
<b>Total assets</b>		<b>7,684,803</b>	<b>7,537,249</b>
Liabilities and equity	Note	30.6.2021	31.12.2020
		CZK' 000	CZK' 000
<b>Equity attributable to owners of Kofola ČeskoSlovensko a.s.</b>	1.5	<b>1,365,180</b>	<b>1,338,391</b>
Share capital	1.5	1,114,597	1,114,597
Share premium and capital reorganisation reserve	1.5	(1,962,871)	(1,962,871)
Other reserves	1.5	2,467,293	2,449,921
Foreign currency translation reserve	1.5	25,768	60,067
Own shares	1.5	(477,333)	(490,151)
Retained earnings/(Accumulated deficit)	1.5	197,726	166,828
<b>Equity attributable to non-controlling interests</b>	1.5	<b>(36,518)</b>	<b>(31,199)</b>
<b>Total equity</b>	1.5	<b>1,328,662</b>	<b>1,307,192</b>
<b>Non-current liabilities</b>		<b>3,690,711</b>	<b>3,993,268</b>
Bank credits and loans	4.12	3,017,479	3,252,207
Lease liabilities		327,609	322,372
Provisions		39,603	41,315
Other liabilities		18,994	91,390
Deferred tax liabilities		287,026	285,984
<b>Current liabilities</b>		<b>2,665,430</b>	<b>2,236,789</b>
Bank credits and loans	4.12	863,258	685,157
Lease liabilities		132,017	132,422
Provisions		36,038	66,865
Trade and other payables		1,631,688	1,320,878
Income tax liabilities		2,429	31,467
<b>Total liabilities</b>		<b>6,356,141</b>	<b>6,230,057</b>
<b>Total liabilities and equity</b>		<b>7,684,803</b>	<b>7,537,249</b>

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



# 1. CONSOLIDATED FINANCIAL STATEMENTS

## 1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2021 and 30 June 2020 in CZK thousand.

Consolidated statement of cash flows	Note	6M21 CZK '000	6M20 CZK '000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax	1.1	78,845	(58,935)
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.3	315,814	300,554
Net interest	4.6, 4.7	43,282	58,478
Impairment of non-current assets	4.10	2,309	35,399
Change in the balance of provisions		(31,051)	(82,652)
Change in the balance of other impairments		(3,070)	750
(Gain)/loss on realized derivatives	4.6, 4.7	4,867	198
Realized (gain)/loss on sale of Property, plant and equipment and Intangible assets	4.4, 4.5	(10,407)	(392)
Net exchange differences		22,321	(44,660)
Other		30,128	461
Cash movements			
Income taxes paid		(97,615)	(60,761)
Change in operating assets and liabilities			
Change in receivables		(305,633)	(13,845)
Change in inventories		(88,898)	(77,753)
Change in payables		321,440	54,962
<b>Net cash inflow/(outflow) from operating activities</b>		<b>282,332</b>	<b>111,804</b>
<b>Cash flows from investing activities</b>			
Sale of Property, plant and equipment		20,259	4,156
Acquisition of Property, plant and equipment and Intangible assets		(141,012)	(300,474)
Proceeds from sale of subsidiary, net of cash disposed		-	138,492
Proceeds from sale of equity accounted investee		-	113,899
Acquisition of subsidiaries, net of cash acquired	4.17	(354)	(1,060,700)
Dividends and interest received		15	94
Purchase of bonds from previous owner of acquired subsidiary		-	(103,800)
Proceeds from bonds sold		21,047	7,000
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(100,045)</b>	<b>(1,201,333)</b>
<b>Cash flows from financing activities</b>			
Lease payments		(78,262)	(57,298)
Proceeds from loans and bank credits		180,436	1,293,702
Repayment of loans and bank credits		(238,496)	(277,247)
Dividends paid to Company's shareholders		(13,119)	-
Interest paid		(41,854)	(57,346)
Derivatives	4.6, 4.7	(4,867)	(198)
Purchase of own shares	1.5	-	(4,410)
Payments of acquired subsidiaries' liabilities to former owners		(1,100)	(6,942)
Dividends not drawn		4,928	-
Transaction costs connected with loan financing		-	(4,000)
Other		(969)	(969)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(193,303)</b>	<b>885,292</b>
Net increase/(decrease) in cash and cash equivalents		(11,016)	(204,237)
<b>Cash and cash equivalents at the beginning of the period</b>	1.3	<b>543,889</b>	<b>774,495</b>
Effects of exchange rate changes on cash and cash equivalents		(6,274)	13,556
<b>Cash and cash equivalents at the end of the period</b>	1.3	<b>526,599</b>	<b>583,814</b>

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

# 1. CONSOLIDATED FINANCIAL STATEMENTS



## 1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2021 and 30 June 2020 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/ (Accumulated deficit)			Total
		CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	CZK '000	
<b>Balance as at 1 January 2020</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,463,337</b>	<b>33,011</b>	<b>(490,164)</b>	<b>372,120</b>	<b>1,530,030</b>	<b>(16,480)</b>	<b>1,513,550</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	(82,450)	(82,450)	(7,393)	(89,843)
Other comprehensive income/(loss)	1.2	-	-	(23,363)	48,865	-	-	25,502	-	25,502
<b>Total comprehensive income/(loss) for the period</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>(23,363)</b>	<b>48,865</b>	<b>-</b>	<b>(82,450)</b>	<b>(56,948)</b>	<b>(7,393)</b>	<b>(64,341)</b>
Own shares purchase		-	-	-	-	(4,410)	-	(4,410)	-	(4,410)
Option scheme		-	-	317	-	-	-	317	-	317
Shares transfer to option scheme participants		-	-	(4,387)	-	4,387	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>		<b>-</b>	<b>-</b>	<b>(4,070)</b>	<b>-</b>	<b>(23)</b>	<b>-</b>	<b>(4,093)</b>	<b>-</b>	<b>(4,093)</b>
<b>Balance as at 30 June 2020</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,435,904</b>	<b>81,876</b>	<b>(490,187)</b>	<b>289,670</b>	<b>1,468,989</b>	<b>(23,873)</b>	<b>1,445,116</b>
<b>Balance as at 1 January 2021</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,449,921</b>	<b>60,067</b>	<b>(490,151)</b>	<b>166,828</b>	<b>1,338,391</b>	<b>(31,199)</b>	<b>1,307,192</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	30,770	30,770	(5,319)	25,451
Other comprehensive income/(loss)	1.2	-	-	26,108	(34,299)	-	-	(8,191)	-	(8,191)
<b>Total comprehensive income/(loss) for the period</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>26,108</b>	<b>(34,299)</b>	<b>-</b>	<b>30,770</b>	<b>22,579</b>	<b>(5,319)</b>	<b>17,260</b>
Shares transfer to option scheme participants		-	-	(12,818)	-	12,818	-	-	-	-
Option scheme		-	-	4,082	-	-	-	4,082	-	4,082
Dividends not drawn		-	-	-	-	-	128	128	-	128
<b>Transactions with owners in their capacity as owners</b>		<b>-</b>	<b>-</b>	<b>(8,736)</b>	<b>-</b>	<b>12,818</b>	<b>128</b>	<b>4,210</b>	<b>-</b>	<b>4,210</b>
<b>Balance as at 30 June 2021</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,467,293</b>	<b>25,768</b>	<b>(477,333)</b>	<b>197,726</b>	<b>1,365,180</b>	<b>(36,518)</b>	<b>1,328,662</b>

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

## 2. GENERAL INFORMATION



### 2.1. CORPORATE INFORMATION

#### KOFOLA GROUP

Kofola Group is one of the leading producers and distributors of non-alcoholic beverages in Central and Eastern Europe that belongs to the top players in CzechoSlovakia.

The Group produces its products with care and love in eleven main production plants located in the Czech Republic (six plants), Slovakia (two plants), Slovenia (one plant), Croatia (one plant) and Poland (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 which are considered as one of our most environmentally friendly packaging. The Group distributes its products through Retail, HoReCa and Impulse channels.

Key own brands include carbonated beverages Kofola and Vinea, waters Radenska, Studenac, Rajec, Ondrášovka, Korunní and Klášterná Kalcia, syrup Jupí, beverages for children Jupík, Semtex energy drink, UGO fresh juices and salads, Leros teas and coffee brands Café Reserva and Trepallini. In selected markets, the Group distributes among others Rauch, Evian, Badoit, Vincentka or Dilmah products and under the licence produces Royal Crown 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. Main brands by categories are shown in the visualisation below:

CATEGORY	MAIN OWN BRANDS	DISTRIBUTED AND LICENCED BRANDS
Carbonated Beverages		
Waters		
Non-carbonated Beverages		
Syrups		
Fresh & Salad Bars		
Other		

#### 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 <https://www.kofola.cz/> and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHQBQ359.

Main area of activity of Kofola ČeskoSlovensko a.s. is holding of the subsidiaries and 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.

Based on the information known to the Board of Directors of the Company acting with due care, the ultimate parent of the Company is AETOS a.s. The ownership structure is described in section 4.15.1.

## 2. GENERAL INFORMATION



### STOCK EXCHANGE LISTING

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

### MANAGEMENT

As at 30 June 2021, the composition of the Board of Directors, Supervisory Board and Audit Committee was as follows:

#### *BOARD OF DIRECTORS*

- Janis Samaras – Chairman
- René Musila – Vice-Chair
- Daniel Buryš – Vice-Chair
- Martin Pisklák
- Martin Mateáš
- Marián Šefčovič

#### *SUPERVISORY BOARD*

- René Sommer – Chairman
- Tomáš Jendřejek
- Moshe Cohen-Nehemia
- Alexandros Samaras (since 28 June 2021)
- Ladislav Sekerka (since 28 June 2021)
- Petr Pravda (till 28 June 2021)

#### *AUDIT COMMITTEE*

- Petr Šobotník – Chairman
- Zuzana Prokopcová
- Lenka Frostová

## 2. GENERAL INFORMATION

### 2.2. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 30 JUNE 2021



#### DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Segment (Note 4.1)	Principal activities	Ownership interest and voting rights	
				30.6.2021	31.12.2020
<b>Holding companies</b>					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company	100.00%	100.00%
Alofok Ltd	Cyprus	n/a	in liquidation		
<b>Production and trading</b>					
Kofola a.s.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Kofola a.s.	Slovakia	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
UGO trade s.r.o.	Czech Republic	Fresh & Herbs	operation of Fresh bars chain, production of salads	90.00%	90.00%
RADENSKA d.o.o.	Slovenia	Adriatic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Studenac d.o.o.	Croatia	Adriatic	production and distribution of non-alcoholic beverages	100.00%	100.00%
Premium Rosa Sp. z o.o.	Poland	Fresh & Herbs	production and distribution of syrups and jams	100.00%	100.00%
LEROS, s.r.o.	Czech Republic	Fresh & Herbs	production and distribution of products from medicinal plants and quality natural teas	100.00%	100.00%
Leros Slovakia, s.r.o.	Slovakia	Fresh & Herbs	distribution of products from medicinal plants and quality natural teas	100.00%	100.00%
F.H.Prager s.r.o.	Czech Republic	CzechoSlovakia	production and distribution of ciders	100.00%	100.00%
Minerálka s.r.o. - in liquidation*	Slovakia	CzechoSlovakia	liquidated	n/a	100.00%
ONDRÁŠOVKA a.s.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Karlovarská Korunní s.r.o.	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	100.00%	100.00%
Brute s.r.o.**	Czech Republic	CzechoSlovakia	marketing activities	100.00%	n/a
<b>Transportation</b>					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

\* Liquidated on 2 April 2021. \*\* Acquired on 17 June 2021.

### 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 on 1 January 2021.

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, employee benefits measured at fair value and the assets, liabilities and contingent liabilities of the acquiree which are measured at their acquisition-date fair values as required by IFRS 3.

The consolidated financial statements include the consolidated statement of 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 of six months ended 30 June 2021 and contain comparatives for the period of six months ended 30 June 2020 and as of 31 December 2020 (in case of the consolidated statement of financial position). Consolidated statement of profit or loss and consolidated statement of other comprehensive income are presented also for the periods of 3 months ended 30 June 2021 and 30 June 2020.

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 exercises 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 are disclosed in section 3.7.

### 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 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES



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

Closing exchange rates	30.6.2021	31.12.2020	30.6.2020
CZK/EUR	25.485	26.245	26.740
CZK/PLN	5.640	5.755	6.000
CZK/HRK	3.401	3.477	3.532

Average exchange rates	1.1.2021 - 30.6.2021	1.1.2020 - 31.12.2020	1.1.2020 - 30.6.2020
CZK/EUR	25.854	26.444	26.326
CZK/PLN	5.698	5.954	5.967
CZK/HRK	3.424	3.508	3.494

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,
- cash-flow 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.

Foreign exchange gains and losses recognized in profit or loss are offset on individual company level.

#### 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 2020.

#### 3.5. ACCOUNTING METHODS

The accounting policies adopted are consistent with those used in the annual consolidated financial statements for the twelve-month period ended 31 December 2020.

#### 3.6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Several standards, amendments and interpretations apply for the first time in 2021, but do not have any material impact on the interim consolidated financial statements of the Group.

## 3. SIGNIFICANT ACCOUNTING POLICIES



### 3.7. SIGNIFICANT ESTIMATES AND KEY MANAGEMENT JUDGEMENTS

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 considered at their calculation, new information or past experience. For this reason, the estimates made as at 30 June 2021 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information
Impairment of CGU, goodwill and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.
Useful life of trademarks	The history of the trademark on the market, market position, useful life of similar products, the stability of the market segment, competition.
Deferred tax asset from tax losses	Historical experience, current and forward-looking information available to the management.
Income tax	Assumptions used to recognise deferred income tax assets (other than Deferred tax asset from tax losses).
Impairment of receivables	Historical experience, credit assessment, current and forward-looking information available to the management.

Whole Group was impacted by COVID-19 with significant negative impact in whole 1Q21 but also in a significant part of 2Q21. There wasn't any impact on the judgements applied and estimates made as of 31 December 2020. The future development remains unsure however the number of vaccinated people is increasing and government restrictions have been partially released.

### 3.8. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### 3.9. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the present consolidated financial statements for publication on 2 September 2021.



## 4. NOTES TO THE 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 following business segments are presented within these financial statements:

- CzechoSlovakia,
- Adriatic,
- Fresh & Herbs.

Division of particular Group companies between the segments is outlined in the section 2.2.

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,
- Fresh bars & Salads,
- Other (e.g. energy drinks, isotonic drinks, tea, coffee, transportation and other services).

In compliance with the relevant requirements of IFRS 8 Operating Segments, the management presents also the distribution of revenues and non-current assets (other than financial instruments and deferred tax assets) distributed into geographical areas.

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.

Column Other in the segment information below represents a reconciling item to get to the consolidated financial statements.

The Group did not identify any customer in the six-month period ended 30 June 2021 and in the comparative period ended 30 June 2020 that generated more than 10% of the Group’s consolidated revenue.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### BUSINESS SEGMENTS

1.1.2021 – 30.6.2021	CzechoSlovakia	Adriatic	Fresh & Herbs	Other*	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>2,185,158</b>	<b>556,175</b>	<b>260,076</b>	-	<b>3,001,409</b>	<b>(47,738)</b>	<b>2,953,671</b>
External revenue – excl. services	2,148,240	553,188	237,311	-	2,938,739	-	2,938,739
External revenue – services	7,277	2,837	4,818	-	14,932	-	14,932
Inter-segment revenue	29,641	150	17,947	-	47,738	(47,738)	-
<b>Operating expenses</b>	<b>(1,966,015)</b>	<b>(527,010)</b>	<b>(345,593)</b>	-	<b>(2,838,618)</b>	<b>47,738</b>	<b>(2,790,880)</b>
Related to external revenue	(1,936,374)	(526,860)	(327,646)	-	(2,790,880)	-	(2,790,880)
Related to inter-segment revenue	(29,641)	(150)	(17,947)	-	(47,738)	47,738	-
<b>Operating profit/(loss)</b>	<b>219,143</b>	<b>29,165</b>	<b>(85,517)</b>	-	<b>162,791</b>	-	<b>162,791</b>
Finance income/(costs), net	(73,281)	(9,660)	(6,434)	-	(89,375)	5,429	(83,946)
- within segment	(77,420)	(3,500)	(3,026)	-	(83,946)	-	(83,946)
- inter-segment	4,139	(6,160)	(3,408)	-	(5,429)	5,429	-
<b>Profit/(loss) before income tax</b>	<b>145,862</b>	<b>19,505</b>	<b>(91,951)</b>	-	<b>73,416</b>	<b>5,429</b>	<b>78,845</b>
Income tax (expense)/benefit	(45,111)	(10,667)	2,384	-	(53,394)	-	(53,394)
<b>Profit/(loss) for the period</b>	<b>100,751</b>	<b>8,838</b>	<b>(89,567)</b>	-	<b>20,022</b>	<b>5,429</b>	<b>25,451</b>
<b>EBITDA**</b>	<b>399,413</b>	<b>86,933</b>	<b>(7,741)</b>	-	<b>478,605</b>	-	<b>478,605</b>
One-offs (A 3.1.1)	(8,765)	(52)	71	-	(8,746)	-	(8,746)
<b>Adjusted EBITDA (A 3.1.1)</b>	<b>390,648</b>	<b>86,881</b>	<b>(7,670)</b>	-	<b>469,859</b>	-	<b>469,859</b>

\* Other doesn't represent a separate segment, but a reconciling item to the Consolidated statement of profit or loss.

\*\* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.

Other segment information (1.1.2021 – 30.6.2021)	CzechoSlovakia	Adriatic	Fresh & Herbs	Other	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Additions to PPE and Intangible assets*	165,056	20,154	54,872	-	240,082	-	240,082
Depreciation and amortisation	180,270	57,768	77,776	-	315,814	-	315,814
Other Impairment losses	1,613	-	2,632	-	4,245	-	4,245
Other Impairment losses reversals	(5,894)	(2,376)	(707)	-	(8,977)	-	(8,977)
Provisions - Increase due to creation	32,154	-	2,905	-	35,059	-	35,059
Provisions - Decrease due to usage/release	(53,296)	(4,258)	(8,556)	-	(66,110)	-	(66,110)

\* excluding acquisitions, including lease additions

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1.1.2020 – 30.6.2020	CzechoSlovakia	Adriatic	Fresh & Herbs	Other*	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>2,045,284</b>	<b>506,929</b>	<b>279,477</b>	-	<b>2,831,690</b>	<b>(78,767)</b>	<b>2,752,923</b>
External revenue – excl. services	1,961,948	503,994	262,999	-	2,728,941	-	2,728,941
External revenue – services	15,524	1,883	6,575	-	23,982	-	23,982
Inter-segment revenue	67,812	1,052	9,903	-	78,767	(78,767)	-
<b>Operating expenses</b>	<b>(1,920,792)</b>	<b>(519,303)</b>	<b>(431,026)</b>	<b>(276)</b>	<b>(2,871,397)</b>	<b>78,767</b>	<b>(2,792,630)</b>
Related to external revenue	(1,852,980)	(518,251)	(421,123)	(276)	(2,792,630)	-	(2,792,630)
Related to inter-segment revenue	(67,812)	(1,052)	(9,903)	-	(78,767)	78,767	-
<b>Operating profit/(loss)</b>	<b>124,492</b>	<b>(12,374)</b>	<b>(151,549)</b>	<b>(276)</b>	<b>(39,707)</b>	-	<b>(39,707)</b>
Finance income/(costs), net	140,170	3,831	(8,891)	662	135,772	(155,000)	(19,228)
- within segment	(20,531)	5,164	(4,523)	662	(19,228)	-	(19,228)
- inter-segment	160,701	(1,333)	(4,368)	-	155,000	(155,000)	-
<b>Profit/(loss) before income tax</b>	<b>264,662</b>	<b>(8,543)</b>	<b>(160,440)</b>	<b>386</b>	<b>96,065</b>	<b>(155,000)</b>	<b>(58,935)</b>
Income tax (expense)/benefit	(25,511)	(7,875)	2,478	-	(30,908)	-	(30,908)
<b>Profit/(loss) for the period</b>	<b>239,151</b>	<b>(16,418)</b>	<b>(157,962)</b>	<b>386</b>	<b>65,157</b>	<b>(155,000)</b>	<b>(89,843)</b>
<b>EBITDA**</b>	<b>300,102</b>	<b>41,487</b>	<b>(80,466)</b>	<b>(276)</b>	<b>260,847</b>	-	<b>260,847</b>
One-offs (A 3.1.1)	44,678	(981)	44,516	-	88,213	-	88,213
<b>Adjusted EBITDA (A 3.1.1)</b>	<b>344,780</b>	<b>40,506</b>	<b>(35,950)</b>	<b>(276)</b>	<b>349,060</b>	-	<b>349,060</b>

\* Other doesn't represent a separate segment, but reconciling item to the consolidated statement of profit or loss.

\*\* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.

Other segment information (1.1.2020 – 30.6.2020)	CzechoSlovakia	Adriatic	Fresh & Herbs	Other	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Additions to PPE and Intangible assets*	226,856	66,275	53,757	-	346,888	-	346,888
Depreciation and amortisation	175,610	53,861	71,083	-	300,554	-	300,554
Other Impairment losses	6,028	-	35,609	-	41,637	-	41,637
Other Impairment losses reversals	(5,501)	(655)	(338)	-	(6,494)	-	(6,494)
Provisions - Increase due to creation	29,639	-	3,176	-	32,815	-	32,815
Provisions - Decrease due to usage/release	(95,547)	(11,851)	(8,069)	-	(115,467)	-	(115,467)

\* excluding acquisitions, including lease additions

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### PRODUCT LINES

1.1.2021 - 30.6.2021	Carbonated beverages CZK'000	Non-carbonated beverages CZK'000	Waters CZK'000	Syrups CZK'000	Fresh bars & Salads CZK'000	Other CZK'000	Total CZK'000
<b>Revenue</b>	<b>1,066,826</b>	<b>270,149</b>	<b>1,042,415</b>	<b>247,338</b>	<b>86,187</b>	<b>240,756</b>	<b>2,953,671</b>
External revenue – excl. services	1,066,826	270,149	1,042,415	247,338	82,340	229,671	2,938,739
External revenue – services	-	-	-	-	3,847	11,085	14,932

1.1.2020 - 30.6.2020	Carbonated beverages CZK'000	Non-carbonated beverages CZK'000	Waters CZK'000	Syrups CZK'000	Fresh bars & Salads CZK'000	Other CZK'000	Total CZK'000
<b>Revenue</b>	<b>1,051,351</b>	<b>265,240</b>	<b>870,952</b>	<b>235,579</b>	<b>120,739</b>	<b>209,062</b>	<b>2,752,923</b>
External revenue – excl. services	1,051,351	265,240	870,952	235,579	115,829	189,990	2,728,941
External revenue – services	-	-	-	-	4,910	19,072	23,982

### INFORMATION ABOUT GEOGRAPHICAL AREAS — REVENUE PER END CUSTOMER

1.1.2021 - 30.6.2021	Czech Republic CZK'000	Slovakia CZK'000	Slovenia CZK'000	Croatia CZK'000	Poland CZK'000	Other CZK'000	Total CZK'000
<b>Revenue</b>	<b>1,607,239</b>	<b>739,848</b>	<b>349,697</b>	<b>160,293</b>	<b>37,355</b>	<b>59,239</b>	<b>2,953,671</b>
External revenue – excl. services	1,597,707	737,171	346,974	160,293	37,355	59,239	2,938,739
External revenue – services	9,532	2,677	2,723	-	-	-	14,932

1.1.2020 - 30.6.2020	Czech Republic CZK'000	Slovakia CZK'000	Slovenia CZK'000	Croatia CZK'000	Poland CZK'000	Other CZK'000	Total CZK'000
<b>Revenue</b>	<b>1,476,330</b>	<b>717,162</b>	<b>332,491</b>	<b>136,609</b>	<b>35,554</b>	<b>54,777</b>	<b>2,752,923</b>
External revenue – excl. services	1,462,374	709,147	330,480	136,609	35,554	54,777	2,728,941
External revenue – services	13,956	8,015	2,011	-	-	-	23,982

Non-current assets (excluding financial assets and deferred tax assets)	Czech Republic CZK'000	Slovakia CZK'000	Slovenia CZK'000	Croatia CZK'000	Poland CZK'000	Other CZK'000	Total CZK'000
30.6.2021	3,358,227	1,042,245	613,759	172,546	182,728	-	<b>5,369,505</b>
31.12.2020	3,396,203	1,096,053	651,588	195,352	194,564	-	<b>5,533,760</b>

### SEASONAL AND CYCLICAL NATURE OF THE OPERATIONS

#### SEASONALITY

Seasonality is associated with periodic deviations in demand and supply and has certain effect on 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 2020, about 20.9% (20.1% in 2019) of revenue was earned in the 1st quarter, with 23.7% (27.2% in 2019), 33.7% (29.0% in 2019) and 21.7% (23.7% in 2019) of the annual consolidated revenue earned in the 2nd, 3rd and 4th quarters, respectively. Shares in particular quarters of 2020 were significantly influenced by COVID-19 pandemic.

#### 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.

#### KOFOLA ČESKOSLOVENSKO GROUP

Interim consolidated financial statements for the six-month period ended 30 June 2021  
In accordance with IAS 34 as adopted by EU

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.2. REVENUE

Revenue streams, Timing of revenue recognition	6M21 CZK'000	6M20 CZK'000
<b>Revenue from contracts with customers</b>		
- Sales of finished products/goods/materials (transferred at a point in time)	2,938,739	2,728,941
- Sales of transportation services (transferred over time)	5,823	6,746
- Franchise licences (transferred over time)	3,845	4,908
- Sales of other services (transferred over time)	5,264	12,328
<b>Total revenue</b>	<b>2,953,671</b>	<b>2,752,923</b>

Revenue from contracts with customers is represented by finished products, goods and materials sold and is recognized at a point of time. For further allocation between particular segments refer to section 4.1.

Changes of loss allowances on receivables arising from contracts with customers are not material.

Group doesn't have any material contract assets, contract liabilities or performance obligations satisfied (or partially satisfied) in previous periods.

### 4.3. EXPENSES BY NATURE

Expenses by nature	6M21 CZK'000	6M20 CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	315,814	300,554
Employee benefits expenses (i)	672,660	646,044
Consumption of materials and energy, cost of goods and materials sold	1,286,057	1,210,099
Services	499,791	510,517
Rental costs	36,366	35,961
Taxes and fees	45,479	36,845
Insurance costs	9,554	8,374
Inventory write-down/(back)	(1,554)	(880)
Change in allowance to receivables	594	6,174
Change in finished products and work in progress	(15,302)	(27,188)
Other costs	2,246	543
<b>Total expenses by nature*</b>	<b>2,851,705</b>	<b>2,727,043</b>
Depreciation recognized in Other operating expenses	(5,667)	(6,230)
<b>Reconciliation of expenses by nature to expenses by function</b>	<b>2,846,038</b>	<b>2,720,813</b>
Cost of sales	1,694,646	1,561,788
Selling, marketing and distribution costs	929,583	947,911
Administrative costs	221,809	211,114
<b>Total costs of products and services sold, merchandise and materials, sales costs and administrative costs</b>	<b>2,846,038</b>	<b>2,720,813</b>

\* Excluding Other operating expenses (except for depreciation) and Impairment.

Higher depreciation and amortisation expense are connected with the capital expenditures realized in 2020, but also with brands recognized on the acquisition of subsidiaries (April 2020) and depreciation and amortisation from acquired subsidiaries' assets. Employee benefits expenses increased mainly due to employee bonuses connected with the extraordinary workload at the end of second quarter of 2021, higher liabilities from untaken holiday and expenses related to the new option scheme plan. Increase of direct material costs, costs of goods sold and energy costs is connected with higher revenues and increased material prices (sweeteners). Services decreased mainly due to savings in marketing and lower FX rates (translation of foreign subsidiaries with the functional currencies different from Czech crowns).

#### (i) Employee benefits expenses

Employee benefits expenses	6M21 CZK'000	6M20 CZK'000
Salaries	500,664	481,280
Social security and other benefit costs (including healthcare insurance)	79,864	73,886
Pension benefit plan expenses	92,132	90,878
<b>Total employee benefits expenses</b>	<b>672,660</b>	<b>646,044</b>

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.4. OTHER OPERATING INCOME

Other operating income	6M21 CZK'000	6M20 CZK'000
Net gain from the sale of PPE and Intangible assets	10,407	392
Release of impairment of Property, plant and equipment	317	1,006
Subsidies, grants and government support	49,241	15,304
Compensation claims	1,914	2,259
Write-off liabilities	94	277
Rental discounts*	2,262	-
Penalties and compensation for damages	605	222
Other tax income	258	143
Write-off of advances received for the returnable packages	-	5,032
Other	5,909	5,383
<b>Total other operating income</b>	<b>71,007</b>	<b>30,018</b>

\* Further information in section 4.18 (COVID-19).

In 6M21, the Subsidies, grants and government support contain mainly the support related to COVID-19 pandemic situation. Net gain from the sale of PPE is arising mainly from sale of assets attributable to subsidiaries acquired in 2020.

### 4.5. OTHER OPERATING EXPENSES

Other operating expenses	6M21 CZK'000	6M20 CZK'000
Net loss from disposal of PPE and Intangible assets	229	-
Costs connected with inactive plant in Poland*	1,226	10,592
Impairment of PPE	2,626	-
Provided donations, sponsorship	1,461	3,848
Penalties and damages	370	830
Advisory services	151	11,962
Costs connected with the earlier termination of rental contracts	2,111	-
Restructuring costs**	1,001	27,420
Other	6,674	11,784
<b>Total other operating expenses</b>	<b>15,849</b>	<b>66,436</b>

\* Mainly depreciation expense, property taxes, consumption of energy (net of rental income). \*\* Mainly payroll expenses.

Decrease of costs related to inactive plant in Poland results from higher rental income in 6M21 and impairment of related assets posted at the end of 2020. Lower advisory services result from savings realized in 6M21. Higher restructuring costs in 6M20 represented the Group's response to the COVID-19 pandemic.

### 4.6. FINANCE INCOME

Finance income	6M21 CZK'000	6M20 CZK'000
Interest from:		
– bank deposits	15	14
– bonds	351	657
– receivables	-	77
Exchange gains	1,425	44,694
Derivatives	-	-
Other	130	193
<b>Total finance income</b>	<b>1,921</b>	<b>45,635</b>

The decrease of Finance income results from significant unrealized FX gains arising on Company's EUR receivables in 6M20.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.7. FINANCE COSTS

Finance costs	6M21 CZK'000	6M20 CZK'000
Interest from:		
– bank loans and credits	36,690	52,433
– lease	6,874	6,793
– other	84	-
Exchange losses	30,644	1,036
Bonds sold	3,642	-
Bank costs and charges	3,053	4,386
Derivatives	4,867	198
Other	13	17
<b>Total finance costs</b>	<b>85,867</b>	<b>64,863</b>

Decrease of interest expense from bank loans and credits is a result of the drop in the market interest rates. Higher FX losses arise from Company's EUR receivables.

### 4.8. INCOME TAX

#### 4.8.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements were as follows:

Income tax	6M21 CZK'000	6M20 CZK'000
<b>Current income tax expense/(benefit)</b>	<b>53,183</b>	<b>16,890</b>
Current income tax on profits for the year	50,640	15,822
Adjustments for current income tax of prior periods	2,543	1,068
<b>Deferred income tax expense/(benefit)*</b>	<b>211</b>	<b>14,018</b>
Related to arising and reversing of temporary differences	(5,457)	9,925
Related to tax losses	5,668	4,093
<b>Income tax expense/(benefit)</b>	<b>53,394</b>	<b>30,908</b>

\* Deferred tax recognized in the profit or loss statement doesn't reconcile to the difference between the values recognized in the statement of financial position which is caused mainly by foreign exchange differences arising on consolidation of foreign subsidiaries.

The income tax rate applicable to the majority of the Group's 6M21 and 6M20 income is 19%. Current income tax expense increased due to higher taxable profits.

#### 4.8.2 INCOME TAX RECOGNISED DIRECTLY IN EQUITY

Income tax elements were as follows:

Income tax recognised directly in equity	6M21 CZK'000	6M20 CZK'000
<b>Deferred income tax</b>	<b>6,124</b>	<b>(5,480)</b>
Tax from Cash flow hedges	6,124	(5,480)
<b>Income tax recognised directly in equity</b>	<b>6,124</b>	<b>(5,480)</b>

### 4.9. EARNINGS PER SHARE

The basic earnings per share ratio is calculated by dividing the profit/(loss) 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/(loss) 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). The diluted earnings per share ratio is not applicable to the Group because it didn't issue any of above-mentioned financial instruments.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information used to calculate basic earnings per share is presented below:

Weighted average number of ordinary shares	6M21	6M20
	Pcs	Pcs
Total number of shares issued by the Company	22,291,948	22,291,948
Effect of own shares in possession of the Company	(1,744)	(2,570)
<b>Weighted average number of ordinary shares used to calculate basic earnings per share</b>	<b>22,290,204</b>	<b>22,289,378</b>

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

Basic earnings per share	6M21	6M20
Profit/(loss) for the period attributable to owners of Kofola ČeskoSlovensko a.s. (CZK´000)	30,770	(82,450)
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22,290,204	22,289,378
<b>Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK/share)</b>	<b>1.38</b>	<b>(3.70)</b>

### 4.10. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 236,344 thousand in 6M21 (including lease additions).

The most significant additions realized by the Group in 6M21 were represented by investments into the production machinery, returnable packages, vehicles and assets arising as a result of the lease capitalization.

The additions to Property, plant and equipment were of CZK 695,335 thousand in 6M20 (including the net book value of assets arising due to acquisition of subsidiaries and lease additions).

The most significant additions realized by the Group in 6M20 were represented by assets arising from the acquisition of subsidiaries of CZK 355,510 thousand and investments into the production machinery, warehouse and the returnable packages.

The impairment in the amount of CZK 35,399 thousand was charged to the items of Property, plant and equipment related to the production of UGO bottles (mainly the production line) in 6M20. The recoverable amount was determined as value in use.

### 4.11. INTANGIBLE ASSETS

The Goodwill consists of the goodwill from acquisition of PINELLI spol. s r.o. in April 2011, goodwill from acquisition of production part of Klimo s.r.o. by Kofola a.s. (Czech Republic) in 2006, goodwill from acquisition of LEROS s.r.o. in March 2018, goodwill from acquisition of Minerálka s.r.o. in June 2018, goodwill from acquisition of Espresso s.r.o. in July 2019, goodwill from acquisition of F.H.Prager s.r.o. in January 2020 and goodwill from acquisition of ONDŘÁŠOVKA a.s. and Karlovarská Korunní s.r.o. in April 2020.

Amortisation of trademarks with finite useful lives is charged to Selling, marketing and distribution costs. The main 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, Citrocola, Semtex energy drink, Erektus, UGO, Premium Rosa, Leros, Café Reserva, Prager ciders and lemonades, Ondrášovka and Korunní.

In 6M21, the additions to intangible assets were of CZK 3,738 thousand.

In 6M20, the additions to intangible assets were of CZK 990,738 thousand (including the net book value of assets arising due to acquisition of subsidiaries). The most significant additions were connected with the acquisition of subsidiaries (Goodwill of CZK 541,373 thousand, Brands of CZK 442,302 thousand) and investments to SAP.

### 4.12. BANK CREDITS AND LOANS

#### INDEBTEDNESS OF THE GROUP FROM THE CREDITS AND LOANS

As at 30 June 2021, the Group's total bank loans and credits amounted to CZK 3,880,737 thousand (as at 31 December 2020: CZK 3,937,364 thousand). Decrease of the balance is attributable to the regular loan repayments in 6M21 that were higher than the overdraft drawing in the same period. From the total balance of Repayment of loans and



## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



bank credits presented within the Consolidated statement of cash flows (Note 1.4), amount of CZK nil thousand (in 6M20: CZK 83,096 thousand) represents the decrease of Group's overdraft.

The Facility loan agreement as amended (which refinanced loans at that time, served for a loan financing of RADENSKA d.o.o. acquisition and also the acquisition of ONDRÁŠOVKA a.s. and Karlovarská Korunní s.r.o.) with carrying amount of CZK 3,484,662 thousand as at 30 June 2021 (as at 31 December 2020: CZK 3,717,761 thousand) was 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 and taking advantage of the favourable conditions of financial market.

In relation to financing of ONDRÁŠOVKA a.s. and Karlovarská Korunní s.r.o. acquisitions, the Group has drawn a loan in the amount of CZK 1,138,000 thousand in April 2020.

### CREDIT TERMS AND TERMS AND CONDITIONS

Based on credit agreements, the Group 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.

As of 30 June 2021, the Group obtained a bank waiver for the breach of covenant Debt service coverage ratio.

As of 31 December 2020, the Group obtained a bank waiver for the breach of Debt service coverage ratio covenant (mainly due to COVID-19 related losses).

All other bank loan covenants were met as of 30 June 2021 and 31 December 2020.

### 4.13. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2021, 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	1,137	28,976	12/2022	Santa-Trans.SK s.r.o.	third party
<b>Total guarantees issued</b>				<b>28,976*</b>			

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

As at 31 December 2020, 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	1,515	39,761	12/2022	Santa-Trans.SK s.r.o.	third party
<b>Total guarantees issued</b>				<b>39,761*</b>			

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

### 4.14. 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. These denationalisation claims have been in the process of being decided on from the year 1993 onward. After several turns in the process the Constitutional court in 2018 reversed the decisions of the authorities adopted by then which prevented the denationalization beneficiaries from denationalization for legal reasons and returned the matter to the first instance authority. Upon such a decision the administrative unit Gornja Radgona as the first instance authority resumed with the process in 2018. In the resumed process the authority, in several partial decisions issued so far in 2018, 2019 and 2020, found the denationalization beneficiaries are entitled to denationalization, however, not in the form of in-kind return of property, for which RADENSKA would be liable, but merely in the form of compensation, which is paid from the Republic of Slovenia and neutral with respect to RADENSKA. In part the denationalisation claims were rejected for lack of merit. Such decisions of the authorities effectively mean that the beneficiary is not entitled to in-kind return of property and therefore neither RADENSKA nor Kofola are obliged to any compensation payment. In February 2021, the beneficiary even withdrew the claim for the in-kind return of

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the RADENSKA enterprise and real estates owned by the enterprise and is now primarily requesting to be compensated by the state. The authorities recently followed such request and issued decisions according to which the beneficiary is entitled to compensation in form of state bonds, compensated by the Slovene Sovereign Holding and neutral with respect to RADENSKA and Kofola Group. Please note that such decisions, including the most recent decision are not final and thus, in theory, there's still the risk, albeit very low, the current decisions would be reversed later in the process with potential negative consequences for RADENSKA. RADENSKA is therefore still actively participating in the process and protecting its interests.

### 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.

## 4.15. RELATED PARTY TRANSACTIONS

### 4.15.1 SHAREHOLDERS STRUCTURE

Share capital structure	30.6.2021			31.12.2020		
	Name of entity	Number of shares	% in share capital	% in voting rights	Number of shares	% in share capital
AETOS a.s.	14,984,204	67.22	70.66	14,984,204	67.22	70.75
RADENSKA d.o.o.	1,084,851	4.87	0.00	1,113,977	5.00	0.00
Others	6,222,893	27.91	29.34	6,193,767	27.78	29.25
<b>Total</b>	<b>22,291,948</b>	<b>100.00</b>	<b>100.00</b>	<b>22,291,948</b>	<b>100.00</b>	<b>100.00</b>

As at 30 June 2021, the registered share capital of Kofola ČeskoSlovensko a.s. totalled CZK 1,114,597,400 (as at 31 December 2020: CZK 1,114,597,400) and comprised 22,291,948 (as at 31 December 2020: 22,291,948) common registered shares with a nominal value of CZK 50 (as at 31 December 2020: CZK 50) 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.

On 9 July 2020, 33 shares have been granted from own shares (in possession of RADENSKA) to the external provider as a compensation for services provided by this external party. These shares were originally purchased by RADENSKA in a public tender offer on the stock market mainly from CED GROUP S.à r.l. with an individual share price of CZK 440.

#### COURSE OF PURCHASE OF OWN SHARES IN 2021 (TRANSACTION PERFORMED WITHIN THE GROUP)

The Board of Directors of the Company resolved to implement the acquisition of own shares by the Company on 19 February 2021.

The sole purpose of the acquisition of own shares by the Company was to meet obligations arising from share option programmes, or other allocations of shares to employees or to members of the administrative, management or supervisory bodies of the Company or of an associate company.

The conditions for the executed acquisition of own shares by the Company:

- the acquisition took place outside the regulated market, directly from the company RADENSKA d.o.o., a subsidiary company of the Company;
- number of shares that were acquired amounted to 29,126 shares of the Company which represented 0.13% of the Company's share capital; and
- the acquisition was settled on 5 March 2021 for the price equal to the closing price for which shares of the Company were traded on the regulated market organized by the company Burza cenných papírů Praha, a.s. on the previous trading day, i.e. CZK 256 per individual share (total value of CZK 7,456 thousand). As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Shares have been transferred to option scheme participants in March 2021.

### COURSE OF PURCHASE OF OWN SHARES IN 2020

On 5 March 2020, the Company announced the share buy-back programme for the purpose of share option plan.

The sole purpose of the acquisition of own shares by the Company was to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the Company or of an associate company.

Maximum number of shares to be acquired amounted up to 19,759 shares of the Company which may had been acquired for a maximum total consideration (excluding incidental transaction charges) of up to CZK 5,600,000. The shares could have been acquired up until April 30, 2020.

The Company has concluded a contract with Česká spořitelna, a.s. for the purpose of execution of the acquisitions of its own shares. Pursuant to this contract, execution of the acquisitions of its own shares took place independently of the Company and without its influence, and only on regulated markets in accordance with the respective legal regulations and rules of these markets.

Course of purchase with a total purchase price of CZK 4,410 thousand was completed on March 20, 2020:

- Purchases 5 March-12 March 2020 (purchased 12,547 shares – 63.5%), weighted average price CZK 233.7 per share.
- Purchases 13 March-20 March 2020 (purchased 7,212 shares – 36.5%), weighted average price CZK 200.3 per share.

In March and April 2020, 19,748 shares with costs of CZK 4,408 thousand have been granted to the participants of the share option plan.

### 4.15.2 REMUNERATION OF THE COMPANY'S KEY MANAGEMENT PERSONNEL

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

Remuneration of the Group's key management personnel 6M21	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	13,161	-	-	-	13,161
	Non-financial	2,325	-	-	-	2,325
Amounts paid for activities in the Company's Supervisory Board	Financial	-	600	-	-	600
	Non-financial	-	144	-	-	144
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	144	-	144
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	3,435	3,762	886	5,957	14,040
	Non-financial	1,455	806	28	1,117	3,406

Remuneration of the Group's key management personnel 6M20	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	18,191	-	-	-	18,191
	Non-financial	2,296	-	-	-	2,296
Amounts paid for activities in the Company's Supervisory Board	Financial	-	600	-	-	600
	Non-financial	-	144	-	-	144
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	144	-	144
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	3,967	5,238	1,203	9,166	19,574
	Non-financial	995	490	28	1,300	2,813

### 4.15.3 OTHER RELATED PARTY TRANSACTIONS

There were no transactions concluded with the Group's related parties (those outside the consolidation group) in 6M21 and 6M20.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.16. FINANCIAL INSTRUMENTS

#### 4.16.1 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.

30.6.2021	Financial assets at	Derivatives at fair	Financial liabilities	Total
	amortised cost	value through OCI	at amortised cost	
	CZK' 000	CZK' 000	CZK' 000	CZK' 000
Trade and other receivables	1,008,936	-	-	1,008,936
Cash and cash equivalents	526,599	-	-	526,599
Derivatives	-	27,506	-	27,506
Bank credits and loans	-	-	(3,880,737)	(3,880,737)
Lease liabilities	-	-	(459,626)	(459,626)
Trade and other payables	-	-	(1,378,399)	(1,378,399)
<b>Total</b>	<b>1,535,535</b>	<b>27,506</b>	<b>(5,718,762)</b>	<b>(4,155,721)</b>

31.12.2020	Financial assets at	Derivatives at fair	Financial liabilities	Total
	amortised cost	value through OCI	at amortised cost	
	CZK' 000	CZK' 000	CZK' 000	CZK' 000
Trade and other receivables	774,964	-	-	774,964
Cash and cash equivalents	543,889	-	-	543,889
Derivatives	-	(4,726)	-	(4,726)
Bank credits and loans	-	-	(3,937,364)	(3,937,364)
Lease liabilities	-	-	(454,794)	(454,794)
Trade and other payables	-	-	(1,142,326)	(1,142,326)
<b>Total</b>	<b>1,318,853</b>	<b>(4,726)</b>	<b>(5,534,484)</b>	<b>(4,220,357)</b>

#### Fair value of derivatives

In 2018 and 2020, the Group has concluded interest rate swaps and established a hedge accounting. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted 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.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.17. ACQUISITION OF SUBSIDIARIES

#### ACQUISITION OF SUBSIDIARY BRUTE S.R.O.

On June 17, 2021, the acquisition date, the company Kofola a.s. (CZ) concluded an agreement to purchase a 100% stake in Brute s.r.o. for a cash consideration of CZK 390 thousand. Due to immateriality, no other information is disclosed.

#### ACQUISITION OF SUBSIDIARIES ONDŘÁŠOVKA A.S. AND KARLOVARSKÁ KORUNNÍ S.R.O.

Both acquired companies represent, in line with IAS 36, one cash-generating unit.

On April 15, 2020, the acquisition date, the Company concluded an agreement to purchase a 100% stake in ONDŘÁŠOVKA a.s. and Karlovarská Korunní s.r.o., producers of the mineral waters.

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

Fair value of assets and liabilities	Fair value CZK' 000
Property, plant and equipment	354,073
Intangible assets	434,275
Deferred tax assets	6,257
Inventories	56,104
Trade receivables and other receivables	87,296
Cash and cash equivalents	48,095
Issued bonds (non-current)	(103,800)
Bank credits and loans (non-current)	(57,820)
Lease liabilities (non-current)	(19,694)
Deferred tax liabilities	(87,067)
Other liabilities (non-current)	(21,000)
Lease liabilities (current)	(8,414)
Trade liabilities and other liabilities	(120,520)
<b>Total identifiable net assets acquired</b>	<b>567,785</b>

The following table summarizes the consideration transferred, net assets acquired and goodwill.

Goodwill calculation	CZK' 000
Consideration transferred (cash)	1,105,824
Net assets acquired	567,785
<b>Goodwill</b>	<b>538,039</b>

The Group expects significant synergies from the acquisition of the subsidiaries that will arise through the unification of operations and controls executed in purchase, production, sales, distribution, marketing and administrative departments. The Group also expects significant positive effects on its current portfolio through broadening by the well-known and established Czech mineral water brands. This significant acquisition helped us increase our market share.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### ACQUISITION OF SUBSIDIARY F.H.PRAGER S.R.O.

On January 7, 2020, the Company concluded an agreement to purchase a 100% stake in F.H.Prager s.r.o., a producer and distributor of cider drinks.

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

Fair value of assets and liabilities	Fair value CZK' 000
Property, plant and equipment	766
Intangible assets	8,027
Inventories	1,856
Trade receivables and other receivables	461
Cash and cash equivalents	29
Bank credits and loans	(443)
Deferred tax liability	(1,525)
Trade liabilities and other liabilities	(9,360)
Provisions	(144)
<b>Total identifiable net assets acquired</b>	<b>(333)</b>

The following table summarizes the consideration transferred, net assets acquired and goodwill.

Goodwill calculation	CZK' 000
Consideration transferred (cash)	3,000
Net assets acquired	(333)
<b>Goodwill</b>	<b>3,333</b>

The reason for the acquisition was the entrance into the new product segment.

### 4.18. COVID-19

#### LEASE ACCOUNTING — IFRS 16

Based on amendment to IFRS 16 issued in May 2020, the lessee may elect not to assess whether COVID-19 related rental discounts are lease modifications. The Group has utilized this practical expedient and has also met all the requirements prescribed by the standard. The amount of such rental discounts is presented within section 4.4 Other operating income.

#### OTHER INFORMATION

Even after more than one year, we are still witnessing the impacts of COVID-19 which limit the operation of restaurants and hotels and also limit the free cross-border travelling. This situation impacts mostly Group's sales in the HoReCa segment and also sales in UGO salateries and freshbars, which in 2019 represented approximately 40% of the Group's revenue. Since 2020, the Group's revenue share in HoReCa is lower, thanks to successful acquisition of companies ONDRÁŠOVKA and Karlovarská Korunní.

The Group has established a team that involves also Group's top management which holds regular meetings oriented to minimize the negative impacts on Group's employees and results. The team has already set plenty of measures and is ready to continue in its activities based on actual requirements in relation to the situation.

HoReCa segment was closed for whole 1Q 2021 (except for Croatia) and part of 2Q 2021.

As of the date of this report, the production is in operation, we have continuing supplies of materials (we are in close contact with our key suppliers), we have increased hygienic precautions in our production plants where we have forbidden any visits, our administrative employees may work from home. The Group is using modern technology for distant access and videoconferences which enables us to protect the health of our employees. There already were necessary savings in CAPEX and OPEX and we plan to continue in this trend also in the upcoming period.

After more than one year of experience, we can confirm that our suppliers (even foreign) are able to supply us with material also in difficult times with limitations set on the free movement of people. Our long-term strategy to utilize local sources and suppliers, if possible, remains and is perceived as an advantage under current circumstances.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



It is possible that, based on above stated, the Group won't be able to fulfil some of bank loan covenants in remaining quarters of 2021. The Group believes to have sufficient resources from current cash balance and overdrafts. We have an open and long-term relationship with our supportive banking group to whom we communicate our business outlook regularly.

Development around COVID-19 lead to the impairment of assets related to company UGO trade s.r.o. as of 31 December 2020. It however didn't lead to impairments of Goodwill or trademarks with indefinite useful life. Impairment tests are sensitive mainly to changes of discount rates, but these should remain rather the same in the upcoming periods as, we believe, the COVID crisis is slowly coming to its end. Outage of sales in 2021 was already taken into account when 2020 impairment tests were performed.

We expect further compensations from particular governments and are ready to fully utilize all available forms of support, as we did in 2020. In August 2021, the company UGO trade s.r.o. received an approval for the state compensation of losses generated in 1Q 2021 in the amount of CZK 16,149 thousand. The Group is able to continue in its business activity even without the state support, compensations however alleviate the adverse financial impacts on the Group.

The Group's financial results for Q1 2021 were not favourable because the HoReCa segment was closed for the whole period. However, it is worth to be noted that the first quarter is for the Group the least significant time of the year in terms of EBITDA. The release of restrictions during Q2 2021 lead to a significant increase of our business results and as such set a very positive message.

Based on the above analysis and assumptions, including the severe but plausible scenarios, management concluded that the Group will have sufficient resources to continue its business for a period of at least 12 months from the reporting date. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

### 4.19. SUBSEQUENT EVENTS

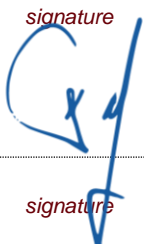
No events have occurred after the end of the reporting period that would require adjusting the amounts recognised and disclosures made in the consolidated financial statements.

# 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 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 Group for the reported period ended 30 June 2021.

## SIGNATURES OF THE COMPANY'S REPRESENTATIVES

<b>2.9.2021</b>	<b>Janis Samaras</b>	<b>Chairman of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>2.9.2021</b>	<b>René Musila</b>	<b>Vice-Chair of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>2.9.2021</b>	<b>Daniel Buryš</b>	<b>Vice-Chair of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>2.9.2021</b>	<b>Martin Pisklák</b>	<b>Member of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>2.9.2021</b>	<b>Martin Mateáš</b>	<b>Member of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>2.9.2021</b>	<b>Marián Šefčovič</b>	<b>Member of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>



