



KOFOLA ČESKOSLOVENSKO A.S.
INTERIM REPORT 9M 2022 (UNAUDITED)





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1. BUSINESS OVERVIEW AND OTHER MATTERS

1.1. BUSINESS OVERVIEW

In the following sections of chapter 1, a reconciliation between reported and adjusted financial statements is presented, there are also comments in relation to the consolidated statement of financial position and consolidated statement of cash flows. A dividend policy is provided too. Business results are commented within the investor presentation which can be found on our webpages at following link <http://investor.kofola.cz/en/investor-2/reports-and-presentations/investor-presentations/>.

The description of financial performance and financial position of Kofola Group 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.

1.1.1 ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Adjusted consolidated financial results	9M22	One-off adjustments	9M22 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	6,064.3	-	6,064.3
Cost of sales	(3,497.0)	-	(3,497.0)
Gross profit	2,567.3	-	2,567.3
Selling, marketing and distribution costs	(1,787.0)	-	(1,787.0)
Administrative costs	(343.8)	-	(343.8)
Other operating income/(costs), net	(2.0)	10.3	8.3
Operating profit/(loss)	434.5	10.3	444.8
Depreciation and amortisation	441.7	(6.3)	435.4
EBITDA	876.2*	4.0	880.2**
Finance income/(costs), net	(50.4)	(126.6)	(177.0)
Income tax	(112.4)	(0.4)	(112.8)
Profit/(loss) for the period	271.7	(116.7)	155.0
- attributable to owners of Kofola ČeskoSlovensko a.s.	276.0	(116.7)	159.3

* 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 9-month period ended 30 September 2022 was affected by the following one-off items:

In Other operating income/(costs), net:

- Advisory costs of CZK 4.1 million (mainly CzechoSlovakia segment).
- Net costs connected with the closed Grodzisk Wielkopolski plant of CZK 3.6 million (Fresh & Herbs segment).
- Restructuring costs of CZK 3.0 million (mainly CzechoSlovakia segment).
- Costs connected with the support provided to parties impacted by the Ukraine war of CZK 1.2 million (CzechoSlovakia segment).
- Costs arising on integration of acquired subsidiaries of CZK 0.1 million (CzechoSlovakia segment).
- Net gain on sold items of Property, plant and equipment of CZK 0.7 million recognized in all business segments (mainly CzechoSlovakia).
- Release of impairment to items of Property, plant and equipment of CZK 1.0 million (CzechoSlovakia segment).

In Finance income/(costs), net:

- Gain on terminated derivatives of CZK 126.6 million (CzechoSlovakia segment).

1. BUSINESS OVERVIEW AND OTHER MATTERS

Adjusted consolidated financial results	9M21	One-off adjustments	9M21 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	5,067.7	-	5,067.7
Cost of sales	(2,767.9)	-	(2,767.9)
Gross profit	2,299.8	-	2,299.8
Selling, marketing and distribution costs	(1,507.3)	-	(1,507.3)
Administrative costs	(344.4)	-	(344.4)
Other operating income/(costs), net	84.3	(3.6)	80.7
Operating profit/(loss)	532.4	(3.6)	528.8
Depreciation and amortisation	465.0	(7.4)	457.6
EBITDA	997.4*	(11.0)	986.4**
Finance income/(costs), net	(119.0)	3.6	(115.4)
Income tax	(126.0)	1.8	(124.2)
Profit/(loss) for the period	287.4	1.8	289.2
- attributable to owners of Kofola ČeskoSlovensko a.s.	292.9	1.8	294.7

* 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 nine-month period ended 30 September 2021 was affected by the following one-off items:

In Other operating income/(costs), net:

- 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 2.0 million (Fresh & Herbs segment).
- The impairment of Property, plant and equipment of CZK 1.7 million (Fresh & Herbs segment) and release of impairment of CZK 0.8 million (CzechoSlovakia segment).
- Restructuring costs of CZK 1.2 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).

In Finance income/(costs), net:

- Net loss from bonds sold of CZK 3.6 million.

Adjusted consolidated financial results	9M22	9M21	Change	Change
	CZK'000 000	CZK'000 000	CZK'000 000	%
Revenue	6,064.3	5,067.7	996.6	19.7%
Cost of sales	(3,497.0)	(2,767.9)	(729.1)	26.3%
Gross profit	2,567.3	2,299.8	267.5	11.6%
Selling, marketing and distribution costs	(1,787.0)	(1,507.3)	(279.7)	18.6%
Administrative costs	(343.8)	(344.4)	0.6	(0.2%)
Other operating income/(costs), net	8.3	80.7	(72.4)	(89.7%)
Operating profit/(loss)	444.8	528.8	(84.0)	(15.9%)
EBITDA	880.2	986.4	(106.2)	(10.8%)
Finance income/(costs), net	(177.0)	(115.4)	(61.6)	53.4%
Income tax	(112.8)	(124.2)	11.4	(9.2%)
Profit/(loss) for the period	155.0	289.2	(134.2)	(46.4%)
- attributable to owners of Kofola ČeskoSlovensko a.s.	159.3	294.7	(135.4)	(45.9%)

1. BUSINESS OVERVIEW AND OTHER MATTERS



1.1.2 FINANCIAL POSITION

ASSETS

Property, plant and equipment decreased mainly as a net result of additions of CZK 365.4 million and depreciation charge of CZK 388.7 million. The most significant additions realized by the Group in 9M22 were represented by investments into the production machinery and returnable packages.

Intangible assets decreased mainly as a result of amortization charge of CZK 57.2 million.

Other non-current assets contain mainly prepayments, derivatives and deferred expenses. Net increase is attributable to sale of IRS derivatives as a part of the amendment on bank loans agreement and conclusion of new IRS derivatives for EUR part of the loans.

Current trade and other receivables increased mainly due to higher trade receivables (by CZK 196.9 million) resulting from higher sales (seasonality).

Inventories were higher due to increased stock level (connected with higher sales but also pre-stocking to benefit from recent prices) and also due to increased material prices.

LIABILITIES

Bank credits and loans decreased as a net result of overdraft repayments, regular repayments according to schedule and loan drawings for CAPEX purposes.

The Group's provisions decreased mainly due to payment of employee bonuses.

Trade and other payables increased mainly due to higher trade payables (by CZK 298.1 million) resulting from increasing production, higher payables to employees, payables represented by advances received for returnable packages and liabilities arising from the new packaging deposit system in Slovakia.

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 3,020.5 million as at 30 September 2022, which represents the decrease by CZK 432.1 million compared to CZK 3,452.6 million as at 31 December 2021. Dividend payment will be realized in 4Q22.

The Group's consolidated net debt / Adjusted LTM EBITDA as at 30 September 2022 was of 3.0 (as of 31 December 2021: 3.1).

1.1.3 CASHFLOWS

Cash flows from operating activities decreased mainly due to changes in working capital.

Cash flows from investing activities decreased mainly due to higher CAPEX.

Cash flows from financing activities increased mainly due to cash flows from sold IRS derivatives (CZK 126.6 million), loan drawings and lower repayments.

1.1.4 DIVIDEND POLICY

On 21 October 2021, the Board of Directors of the Company approved the Company's dividend policy for the periods of 2021 to 2023. The intention of the Board of Directors is to maintain the current trend and distribute approximately CZK 300 million to shareholders in each financial year. This currently represents approximately CZK 13.46 per share before tax. The realisation of this intention is conditional on sufficient funds being available for distribution (distributable resources) without jeopardising the Company's financial stability.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS 9M 2022
KOFOLA ČESKOSLOVENSKO A.S.
(UNAUDITED)

1. CONSOLIDATED FINANCIAL STATEMENTS



1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 9-month and 3-month period ended 30 September 2022 and 30 September 2021 in CZK thousand.

Consolidated statement of profit or loss	Note	9M22	9M21	3Q22	3Q21
		CZK' 000	CZK' 000	CZK' 000	CZK' 000
Revenue	4.2	6,064,307	5,067,706	2,347,187	2,114,035
Cost of sales	4.3	(3,497,044)	(2,767,877)	(1,323,421)	(1,073,231)
Gross profit		2,567,263	2,299,829	1,023,766	1,040,804
Selling, marketing and distribution costs	4.3	(1,787,031)	(1,507,337)	(624,204)	(577,754)
Administrative costs	4.3	(343,808)	(344,432)	(82,799)	(122,623)
Other operating income	4.4	27,675	103,809	11,309	34,410
Other operating expenses	4.5	(29,550)	(19,502)	(15,211)	(5,261)
Operating profit/(loss)		434,549	532,367	312,861	369,576
Finance income	4.6	143,163	694	44	75
Finance costs	4.7	(193,515)	(119,654)	(59,431)	(35,089)
Profit/(loss) before income tax		384,197	413,407	253,474	334,562
Income tax (expense)/benefit	4.8	(112,470)	(126,009)	(70,344)	(72,615)
Profit/(loss) for the period	1.2	271,727	287,398	183,130	261,947
<i>Attributable to:</i>					
Owners of Kofola ČeskoSlovensko a.s.	1.5	276,026	292,914	184,288	262,144
Non-controlling interests	1.5	(4,299)	(5,516)	(1,158)	(197)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company (in CZK)					
Basic earnings/(loss) per share	4.9	12.38	13.14	8.27	11.76

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 9-month and 3-month period ended 30 September 2022 and 30 September 2021 in CZK thousand.

Consolidated statement of other comprehensive income	Note	9M22 CZK'000	9M21 CZK'000	3Q22 CZK'000	3Q21 CZK'000
Profit/(loss) for the period	1.1	271,727	287,398	183,130	261,947
Other comprehensive income					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences		(13,587)	(31,806)	(7,072)	2,493
<i>Exchange differences on translation of foreign subsidiaries</i>		<i>(13,587)</i>	<i>(31,806)</i>	<i>(7,072)</i>	<i>2,493</i>
Derivatives accounted through Other comprehensive income		(14,321)	46,870	87,848	20,762
<i>Derivatives - Cash flow hedges</i>		<i>(17,680)</i>	<i>57,864</i>	<i>108,455</i>	<i>25,632</i>
<i>Deferred tax from Cash flow hedges</i>	4.8	<i>3,359</i>	<i>(10,994)</i>	<i>(20,607)</i>	<i>(4,870)</i>
Other comprehensive income/(loss) for the period, net of tax		(27,908)	15,064	80,776	23,255
Total comprehensive income/(loss) for the period	1.5	243,819	302,462	263,906	285,202
Attributable to:					
Owners of Kofola ČeskoSlovensko a.s.	1.5	248,118	307,978	265,064	285,399
Non-controlling interests	1.5	(4,299)	(5,516)	(1,158)	(197)

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 September 2022 and 31 December 2021 in CZK thousand.

Assets	Note	30.9.2022 CZK' 000	31.12.2021 CZK' 000
Non-current assets		5,167,971	5,306,289
Property, plant and equipment	4.10	3,149,167	3,221,419
Goodwill	4.11	648,041	648,093
Intangible assets	4.11	1,193,928	1,249,412
Other receivables		176,835	160,058
Deferred tax assets		-	27,307
Current assets		2,487,354	1,929,309
Inventories		807,863	641,234
Trade and other receivables		1,053,206	866,810
Income tax receivables		18,985	29,748
Cash and cash equivalents	1.4	607,300	391,517
Total assets		7,655,325	7,235,598
Liabilities and equity			
		CZK' 000	CZK' 000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1.5	1,339,020	1,336,464
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	2,500,763	2,533,344
Foreign currency translation reserve	1.5	(14,317)	(730)
Own shares	1.5	(467,382)	(477,333)
Retained earnings/(Accumulated deficit)	1.5	168,230	129,457
Equity attributable to non-controlling interests	1.5	(43,804)	(39,505)
Total equity	1.5	1,295,216	1,296,959
Non-current liabilities		3,673,266	3,435,966
Bank credits and loans	4.12	3,064,593	2,783,697
Lease liabilities		261,311	301,924
Provisions		37,867	40,241
Other liabilities		18,447	16,631
Deferred tax liabilities		291,048	293,473
Current liabilities		2,686,843	2,502,673
Bank credits and loans	4.12	185,007	633,307
Lease liabilities		116,932	125,239
Provisions		74,717	91,678
Trade and other payables		2,058,653	1,632,590
Dividend payables		234,506	-
Income tax liabilities		17,028	19,859
Total liabilities		6,360,109	5,938,639
Total liabilities and equity		7,655,325	7,235,598

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 9-month period ended 30 September 2022 and 30 September 2021 in CZK thousand.

Consolidated statement of cash flows	Note	9M22 CZK'000	9M21 CZK'000
Cash flows from operating activities			
Profit/(loss) before income tax	1.1	384,197	413,407
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.3	441,594	464,985
Net interest	4.6, 4.7	158,764	66,608
Impairment/(release of impairment) of non-current assets		(956)	926
Change in the balance of provisions		(18,634)	(1,083)
Change in the balance of other impairments		(19,937)	(2,033)
(Gain)/loss on realized derivatives	4.6, 4.7	(132,328)	6,398
Realized (gain)/loss on sale of Property, plant and equipment and Intangible assets	4.4, 4.5	(792)	(10,589)
Net exchange differences		13,371	32,423
Other		1,437	28,334
Cash movements			
Income taxes paid		(74,061)	(120,521)
Change in operating assets and liabilities			
Change in receivables		(210,963)	(108,784)
Change in inventories		(169,931)	(108,681)
Change in payables		428,665	356,440
Net cash inflow/(outflow) from operating activities		800,426	1,017,830
Cash flows from investing activities			
Sale of Property, plant and equipment		27,512	24,101
Acquisition of Property, plant and equipment and Intangible assets		(304,387)	(216,577)
Acquisition of subsidiaries, net of cash acquired	4.17	-	(354)
Interest received		27	28
Proceeds from bonds sold		-	21,047
Net cash inflow/(outflow) from investing activities		(276,848)	(171,755)
Cash flows from financing activities			
Lease payments		(110,293)	(107,293)
Proceeds from loans and bank credits		155,086	-
Repayment of loans and bank credits		(308,526)	(568,399)
Dividends paid to Company's shareholders		(13,516)	(13,119)
Interest paid		(156,620)	(64,355)
Realized derivatives	4.6, 4.7	5,706	(6,398)
Terminated derivatives	4.6, 4.7	126,622	-
Payments of acquired subsidiaries' liabilities to former owners		-	(1,100)
Dividends not drawn		6,043	928
Transaction costs connected with loan financing		(7,482)	-
Other		(1,454)	(1,454)
Net cash inflow/(outflow) from financing activities		(304,434)	(761,190)
Net increase/(decrease) in cash and cash equivalents		219,144	84,885
Cash and cash equivalents at the beginning of the period	1.3	391,517	543,889
Effects of exchange rate changes on cash and cash equivalents		(3,361)	(6,948)
Cash and cash equivalents at the end of the period	1.3	607,300	621,826

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 9-month period ended 30 September 2022 and 30 September 2021 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		
Balance as at 1 January 2021		1,114,597	(1,962,871)	2,449,921	60,067	(490,151)	166,828	1,338,391	(31,199)	1,307,192
Profit/(loss) for the period	1.1	-	-	-	-	-	292,914	292,914	(5,516)	287,398
Other comprehensive income/(loss)	1.2	-	-	46,870	(31,806)	-	-	15,064	-	15,064
Total comprehensive income/(loss) for the period	1.2	-	-	46,870	(31,806)	-	292,914	307,978	(5,516)	302,462
Shares transfer to option scheme participants		-	-	(12,818)	-	12,818	-	-	-	-
Option scheme		-	-	14,420	-	-	-	14,420	-	14,420
Dividends not drawn		-	-	-	-	-	128	128	-	128
Transactions with owners in their capacity as owners		-	-	1,602	-	12,818	128	14,548	-	14,548
Balance as at 30 September 2021		1,114,597	(1,962,871)	2,498,393	28,261	(477,333)	459,870	1,660,917	(36,715)	1,624,202
Balance as at 1 January 2022		1,114,597	(1,962,871)	2,533,344	(730)	(477,333)	129,457	1,336,464	(39,505)	1,296,959
Profit/(loss) for the period	1.1	-	-	-	-	-	276,026	276,026	(4,299)	271,727
Other comprehensive income/(loss)	1.2	-	-	(14,321)	(13,587)	-	-	(27,908)	-	(27,908)
Total comprehensive income/(loss) for the period	1.2	-	-	(14,321)	(13,587)	-	276,026	248,118	(4,299)	243,819
Dividends		-	-	-	-	-	(239,896)	(239,896)	-	(239,896)
Shares transfer to option scheme participants		-	-	(9,951)	-	9,951	-	-	-	-
Option scheme		-	-	(8,309)	-	-	-	(8,309)	-	(8,309)
Dividends not drawn		-	-	-	-	-	2,643	2,643	-	2,643
Transactions with owners in their capacity as owners		-	-	(18,260)	-	9,951	(237,253)	(245,562)	-	(245,562)
Balance as at 30 September 2022		1,114,597	(1,962,871)	2,500,763	(14,317)	(467,382)	168,230	1,339,020	(43,804)	1,295,216

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 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”. KEG is 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: 3157005DO9L5OWHBQ359.

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.

KOFOLA ČESKOSLOVENSKO GROUP

Interim consolidated financial statements for the nine-month period ended 30 September 2022
In accordance with IAS 34 as adopted by EU

2. GENERAL INFORMATION



STOCK EXCHANGE LISTING

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

MANAGEMENT

As at 30 September 2022, 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
- Ladislav Sekerka

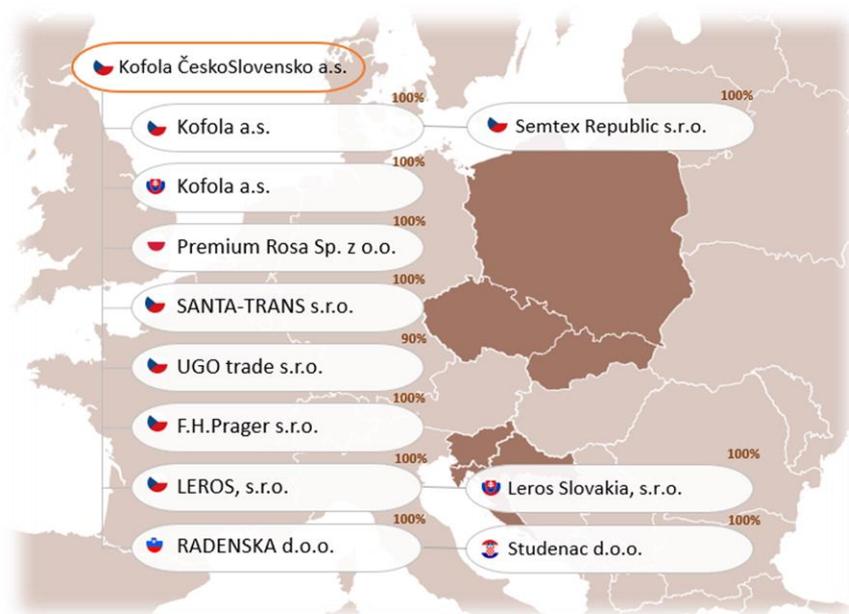
AUDIT COMMITTEE

- Petr Šobotník – Chairman
- Zuzana Prokopcová
- Lenka Frostová

2. GENERAL INFORMATION

2.2. GROUP STRUCTURE

GROUP STRUCTURE CHART AS AT 30 SEPTEMBER 2022



DESCRIPTION OF THE GROUP COMPANIES

Name of entity	Place of business	Segment (Note 4.1)	Principal activities	Ownership interest and voting rights	
				30.9.2022	31.12.2021
Holding companies					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company		
Production and trading					
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%
ONDRÁŠOVKA a.s.*	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	n/a	100.00%
Karlovarská Korunní s.r.o.*	Czech Republic	CzechoSlovakia	production and distribution of non-alcoholic beverages	n/a	100.00%
Semtex Republic s.r.o.**	Czech Republic	CzechoSlovakia	marketing activities	100.00%	100.00%
Transportation					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

* Merged with Kofola a.s. (CZ) as of 1 January 2022. ** Till 31 December 2021 named Brute s.r.o.

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 2022.

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 the 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 nine months ended 30 September 2022 and contain comparatives for the period of nine months ended 30 September 2021 and as of 31 December 2021 (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 September 2022 and 30 September 2021.

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	30.9.2022	31.12.2021	30.9.2021
CZK/EUR	24.550	24.860	25.495
CZK/PLN	5.063	5.408	5.518
CZK/HRK	3.263	3.307	3.406

Average exchange rates	1.1.2022 - 30.9.2022	1.1.2021 - 31.12.2021	1.1.2021 - 30.9.2021
CZK/EUR	24.623	25.645	25.735
CZK/PLN	5.273	5.619	5.660
CZK/HRK	3.268	3.406	3.416

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 2021.

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 2021.

3.6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Several standards, amendments and interpretations apply for the first time in 2022, 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 September 2022 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.

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 24 November 2022.

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.

The Group did not identify any customer in the nine-month period ended 30 September 2022 and in the comparative nine-month period ended 30 September 2021 that generated more than 10% of the Group’s consolidated revenue.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



BUSINESS SEGMENTS

1.1.2022 – 30.9.2022	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Revenue	4,410,639	1,140,310	631,292	6,182,241	(117,934)	6,064,307
External revenue – excl. services	4,319,183	1,133,193	572,922	6,025,298	-	6,025,298
External revenue – services	15,596	6,428	16,985	39,009	-	39,009
Inter-segment revenue	75,860	689	41,385	117,934	(117,934)	-
Operating expenses	(4,019,795)	(1,023,645)	(704,252)	(5,747,692)	117,934	(5,629,758)
Related to external revenue	(3,943,935)	(1,022,956)	(662,867)	(5,629,758)	-	(5,629,758)
Related to inter-segment revenue	(75,860)	(689)	(41,385)	(117,934)	117,934	-
Operating profit/(loss)	390,844	116,665	(72,960)	434,549	-	434,549
Finance income/(costs), net	15,072	6,626	(38,062)	(16,364)	(33,988)	(50,352)
- within segment	(34,106)	(1,606)	(14,640)	(50,352)	-	(50,352)
- inter-segment	49,178	8,232	(23,422)	33,988	(33,988)	-
Profit/(loss) before income tax	405,916	123,291	(111,022)	418,185	(33,988)	384,197
Income tax (expense)/benefit	(88,724)	(27,305)	3,559	(112,470)	-	(112,470)
Profit/(loss) for the period	317,192	95,986	(107,463)	305,715	(33,988)	271,727
EBITDA*	645,541	193,644	36,958	876,143	-	876,143
One-offs (A 1.1.1)	4,201	982	(1,147)	4,036	-	4,036
Adjusted EBITDA (A 1.1.1)	649,742	194,626	35,811	880,179	-	880,179

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

Other segment information (1.1.2022 – 30.9.2022)	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Additions to PPE and Intangible assets*	263,907	53,618	55,700	373,225	-	373,225
Depreciation and amortisation	254,697	76,979	109,918	441,594	-	441,594
Other Impairment losses	3,868	974	14	4,856	-	4,856
Other Impairment losses reversals	(25,191)	(1,875)	(5,368)	(32,434)	-	(32,434)
Provisions - Increase due to creation	58,740	2,461	11,450	72,651	-	72,651
Provisions - Decrease due to usage/release	(72,849)	(7,999)	(10,437)	(91,285)	-	(91,285)

* excluding acquisitions, including lease additions

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1.1.2021 – 30.9.2021	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Revenue	3,701,373	1,001,105	442,127	5,144,605	(76,899)	5,067,706
External revenue – excl. services	3,644,372	995,942	403,979	5,044,293	-	5,044,293
External revenue – services	10,029	4,735	8,649	23,413	-	23,413
Inter-segment revenue	46,972	428	29,499	76,899	(76,899)	-
Operating expenses	(3,180,002)	(884,657)	(547,579)	(4,612,238)	76,899	(4,535,339)
Related to external revenue	(3,133,030)	(884,229)	(518,080)	(4,535,339)	-	(4,535,339)
Related to inter-segment revenue	(46,972)	(428)	(29,499)	(76,899)	76,899	-
Operating profit/(loss)	521,371	116,448	(105,452)	532,367	-	532,367
Finance income/(costs), net	(101,249)	(10,831)	(12,309)	(124,389)	5,429	(118,960)
- within segment	(107,635)	(4,355)	(6,970)	(118,960)	-	(118,960)
- inter-segment	6,386	(6,476)	(5,339)	(5,429)	5,429	-
Profit/(loss) before income tax	420,122	105,617	(117,761)	407,978	5,429	413,407
Income tax (expense)/benefit	(103,202)	(26,430)	3,623	(126,009)	-	(126,009)
Profit/(loss) for the period	316,920	79,187	(114,138)	281,969	5,429	287,398
EBITDA**	785,890	202,189	9,273	997,352	-	997,352
One-offs (A 1.1.1)	(10,844)	561	(660)	(10,943)	-	(10,943)
Adjusted EBITDA (A 1.1.1)	775,046	202,750	8,613	986,409	-	986,409

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

Other segment information (1.1.2021 – 30.9.2021)	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Additions to PPE and Intangible assets*	219,889	25,560	68,467	313,916	-	313,916
Depreciation and amortisation	264,519	85,741	114,725	464,985	-	464,985
Other Impairment losses	1,920	-	1,699	3,619	-	3,619
Other Impairment losses reversals	(10,804)	(2,452)	(6,138)	(19,394)	-	(19,394)
Provisions - Increase due to creation	56,676	-	8,431	65,107	-	65,107
Provisions - Decrease due to usage/release	(53,243)	(4,395)	(8,552)	(66,190)	-	(66,190)

* excluding acquisitions, including lease additions

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



PRODUCT LINES

1.1.2022 – 30.9.2022	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
Revenue	2,245,762	530,037	2,101,903	415,769	292,841	477,995	6,064,307
External revenue – excl. services	2,245,762	530,037	2,101,903	415,769	281,478	450,349	6,025,298
External revenue – services	-	-	-	-	11,363	27,646	39,009
1.1.2021 - 30.9.2021	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
Revenue	1,928,262	458,997	1,749,063	378,409	168,431	384,544	5,067,706
External revenue – excl. services	1,928,262	458,997	1,749,063	378,409	162,260	367,302	5,044,293
External revenue – services	-	-	-	-	6,171	17,242	23,413

INFORMATION ABOUT GEOGRAPHICAL AREAS — REVENUE PER END CUSTOMER

1.1.2022 – 30.9.2022	Czech Republic CZK'000	Slovakia CZK'000	Slovenia CZK'000	Croatia CZK'000	Poland CZK'000	Other CZK'000	Total CZK'000
Revenue	3,365,297	1,443,769	687,494	358,823	56,710	152,214	6,064,307
External revenue – excl. services	3,349,243	1,433,990	681,088	358,800	55,878	146,299	6,025,298
External revenue – services	16,054	9,779	6,406	23	832	5,915	39,009
1.1.2021 - 30.9.2021	Czech Republic CZK'000	Slovakia CZK'000	Slovenia CZK'000	Croatia CZK'000	Poland CZK'000	Other CZK'000	Total CZK'000
Revenue	2,689,562	1,290,337	599,519	317,284	59,417	111,587	5,067,706
External revenue – excl. services	2,676,052	1,286,178	595,132	317,260	59,417	110,254	5,044,293
External revenue – services	13,510	4,159	4,387	24	-	1,333	23,413
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
30.9.2022	3,219,992	985,260	565,807	135,558	172,460	-	5,079,077
31.12.2021	3,272,167	996,359	583,169	151,566	195,654	-	5,198,915

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 2021, about 17.4% (20.9% in 2020) of revenue was earned in the 1st quarter, with 27.1% (23.7% in 2020), 31.9% (33.7% in 2020) and 23.6% (21.7% in 2020) of the annual consolidated revenue earned in the 2nd, 3rd and 4th quarters, respectively. Shares in particular quarters of both 2021 and 2020 were 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 nine-month period ended 30 September 2022
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	9M22 CZK' 000	9M21 CZK' 000
Revenue from contracts with customers		
- Sales of finished products/goods/materials (transferred at a point in time)	6,025,298	5,044,293
- Sales of transportation services (transferred over time)	11,089	7,670
- Franchise licences (transferred over time)	11,371	6,171
- Sales of other services (transferred over time)	16,549	9,572
Total revenue	6,064,307	5,067,706

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	9M22 CZK' 000	9M21 CZK' 000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	441,594	464,985
Employee benefits expenses (i)	1,138,988	1,046,699
Consumption of materials and energy, cost of goods and materials sold	2,937,177	2,148,907
Services	1,065,090	847,209
Rental costs	75,048	59,923
Taxes and fees	66,198	76,397
Insurance costs	15,127	13,053
Inventory write-down/(back)	(979)	(1,869)
Change in allowance to receivables	(14,582)	2,228
Change in finished products and work in progress	(92,482)	(32,390)
Other costs	2,971	1,914
Total expenses by nature*	5,634,150	4,627,056
Depreciation recognized in Other operating expenses	(6,267)	(7,410)
Reconciliation of expenses by nature to expenses by function	5,627,883	4,619,646
Cost of sales	3,497,044	2,767,877
Selling, marketing and distribution costs	1,787,031	1,507,337
Administrative costs	343,808	344,432
Total costs of products and services sold, merchandise and materials, sales costs and administrative costs	5,627,883	4,619,646

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

Employee benefits expenses increased mainly due to higher headcount and higher employee bonuses. Balance related to option scheme decreases employee benefits expenses by CZK 9,105 thousand in 9M22 due to revision caused by adverse macroeconomic development. Material costs, costs of goods sold, energy costs and services increased mainly due to increased revenue but also due to higher input prices. Services increased mainly due to higher logistic costs but also due to higher marketing expenses. Change in finished products and work in progress balance is influenced by higher activity in 9M22 and also higher material prices and production costs.

(i) Employee benefits expenses

Employee benefits expenses	9M22 CZK' 000	9M21 CZK' 000
Salaries	841,931	779,790
Social security and other benefit costs (including healthcare insurance)	139,245	125,451
Pension benefit plan expenses	157,812	141,458
Total employee benefits expenses	1,138,988	1,046,699

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.4. OTHER OPERATING INCOME

Other operating income	9M22 CZK'000	9M21 CZK'000
Net gain from the sale of PPE and Intangible assets	6,036	10,610
Release of impairment of Property, plant and equipment	956	767
Subsidies, grants and government support	1,525	65,645
Compensation claims	2,246	3,706
Rental discounts*	973	5,214
Penalties and compensation for damages	3,570	1,654
Other tax income	1,688	258
Other	10,681	15,955
Total other operating income	27,675	103,809

* Further information in section 4.18 (COVID-19 and Ukraine crises).

In 9M21, the Subsidies, grants and government support contain mainly the support related to COVID-19 pandemic situation.

4.5. OTHER OPERATING EXPENSES

Other operating expenses	9M22 CZK'000	9M21 CZK'000
Net loss from disposal of PPE and Intangible assets	5,244	358
Costs connected with inactive plant in Poland*	3,612	1,965
Impairment of PPE	-	1,693
Provided donations, sponsorship	6,118	2,372
Penalties and damages	2,443	1,007
Advisory costs	4,115	169
Costs connected with the earlier termination of rental contracts	-	2,111
Restructuring costs**	3,003	1,245
Costs on integration of new subsidiaries	83	303
Support to parties impacted by war in Ukraine	1,235	-
Other	3,697	8,279
Total other operating expenses	29,550	19,502

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

4.6. FINANCE INCOME

Finance income	9M22 CZK'000	9M21 CZK'000
Interest from:		
– bank deposits	27	29
– bonds	-	351
Exchange gains	342	128
Realized derivatives (original derivatives in CZK)	16,116	-
Gain on derivatives termination (original derivatives in CZK)	126,622	-
Other	56	186
Total finance income	143,163	694

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.7. FINANCE COSTS

Finance costs	9M22 CZK'000	9M21 CZK'000
Interest from:		
– bank loans and credits	149,874	56,881
– lease	8,795	9,954
– other	122	153
Exchange losses	17,044	36,771
Bonds sold	-	3,642
Bank costs and charges	7,261	5,847
Realized derivatives (original derivatives in CZK)	-	6,398
Realized derivatives (new derivatives in EUR)	10,410	-
Other	9	8
Total finance costs	193,515	119,654

Interest expense increased due to increasing interest rates.

4.8. INCOME TAX

4.8.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements were as follows:

Income tax	9M22 CZK'000	9M21 CZK'000
Current income tax expense/(benefit)	81,265	120,412
Current income tax on profits for the year	81,029	117,870
Adjustments for current income tax of prior periods	236	2,542
Deferred income tax expense/(benefit)*	31,205	5,597
Related to arising and reversing of temporary differences	722	(8,138)
Related to tax losses	30,483	13,735
Income tax expense/(benefit)	112,470	126,009

* 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 9M22 and 9M21 income is 19%.

4.8.2 INCOME TAX RECOGNISED DIRECTLY IN EQUITY

Income tax elements were as follows:

Income tax recognised directly in equity	9M22 CZK'000	9M21 CZK'000
Deferred income tax	(3,359)	10,994
Tax from Cash flow hedges	(3,359)	10,994
Income tax recognised directly in equity	(3,359)	10,994

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	9M22	9M21
	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	(166)	(1,154)
Weighted average number of ordinary shares used to calculate basic earnings per share	22,291,782	22,290,794

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

Basic earnings per share	9M22	9M21
Profit/(loss) for the period attributable to owners of Kofola ČeskoSlovensko a.s. (CZK´000)	276,026	292,914
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22,291,782	22,290,794
Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK/share)	12.38	13.14

4.10. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 365,402 thousand in 9M22 (including lease additions).

The most significant additions realized by the Group in 9M22 were represented by investments into the production machinery and returnable packages.

The additions to Property, plant and equipment were of CZK 308,595 thousand in 9M21 (including lease additions).

The most significant additions realized by the Group in 9M21 were represented by investments into the production machinery, returnable packages, vehicles and assets arising as a result of the lease capitalization.

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, Ondřášovka and Korunní.

In 9M22 and 9M21, the additions to intangible assets were immaterial.

4.12. BANK CREDITS AND LOANS

INDEBTEDNESS OF THE GROUP FROM THE CREDITS AND LOANS

As at 30 September 2022, the Group's total bank loans and credits amounted to CZK 3,249,600 thousand (as at 31 December 2021: CZK 3,417,004 thousand). The balance decreased as a net result of overdraft repayments, regular repayments according to schedule and loan drawings for CAPEX purposes.

The Facility loan agreement as amended (which refinanced loans at that time and served for a loan financing of RADENSKA d.o.o. acquisition and also the acquisition of ONDŘÁŠOVKA a.s. and Karlovarská Korunní s.r.o.) with carrying amount of CZK 3,212,138 thousand as at 30 September 2022 (as at 31 December 2021: CZK 3,251,409 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 June 2022, an amendment to existing contract on bank credits and loans has been concluded. Transferring 60% of outstanding loan to EUR should bring significant savings in interest expense and adjustment of the repayment schedule will lead to decrease of regular annual loan repayments. The maturity is in June 2028 with quarterly repayments of

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



CZK 32,000 thousand. EUR part of the Facility loan agreement as of 30 September 2022 amounted to CZK 1,884,401 thousand (as of 31 December 2021: CZK nil thousand).

Overdraft amounted to CZK 37,462 thousand as of 30 September 2022 (as of 31 December 2021: CZK 164,316 thousand) out of which CZK 37,462 thousand was denominated in EUR (as of 31 December 2021: CZK 92,057 thousand).

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 31 December 2021, the Group obtained a bank waiver for the breach of Debt service coverage ratio covenant.

All other bank loan covenants were met as of 30 September 2022 and 31 December 2021.

With the amendment on bank loans, also new IRS contracts were concluded (only in relation to EUR part of the loan) with interest 2.149% p.a. + margin. At the same time, the existing IRS were terminated and sold (refer to section 4.6. Finance income).

4.13. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2022 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	191	4,689	12/2022	Santa-Trans.SK s.r.o.	third party
Total guarantees issued				4,689*			

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

As at 31 December 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	758	18,844	12/2022	Santa-Trans.SK s.r.o.	third party
Total guarantees issued				18,844*			

* The fair value of the guarantees 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 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

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



negative consequences for RADENSKA. RADENSKA is therefore still actively participating in the process and protecting its interests.

LITIGATION WITH FORMER LAWYER

There is a litigation concerning the amount of CZK 23,070 thousand with a former lawyer Mr. Belec, who represented RADENSKA in the denationalization process and with whom RADENSKA already concluded a settlement in 2018. Currently, Mr. Belec is in a personal bankruptcy procedure and claims that the settlement in 2018 was not in his interest.

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 related 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	30.9.2022			31.12.2021		
	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	70.58	14,984,204	67.22	70.66
RADENSKA d.o.o.	1,062,236	4.77	0.00	1,084,851	4.87	0.00
Others	6,245,508	28.01	29.42	6,222,893	27.91	29.34
Total	22,291,948	100.00	100.00	22,291,948	100.00	100.00

As at 30 September 2022, the registered share capital of Kofola ČeskoSlovensko a.s. totalled CZK 1,114,597,400 (as at 31 December 2021: CZK 1,114,597,400) and comprised 22,291,948 (as at 31 December 2021: 22,291,948) common registered shares with a nominal value of CZK 50 (as at 31 December 2021: 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.

COURSE OF PURCHASE OF OWN SHARES IN 2022 (TRANSACTION PERFORMED WITHIN THE GROUP)

The Board of Directors of the Company resolved to implement the acquisition of own shares by the Company on 7 March 2022. 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 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;
- maximum number of shares to be acquired amounted up to 22,615 shares of the Company; and
- the acquisition was settled on 8 March 2022 for the price equal to the closing price for which shares of Kofola were traded on the regulated market organized by the company Burza cenných papírů Praha, a.s. on the previous trading day, i.e. CZK 295 per individual share (total value of CZK 6,671 thousand). As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share.

Shares have been transferred to option scheme participants in March 2022.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

a) the acquisition took place outside the regulated market, directly from the company RADENSKA d.o.o., a subsidiary company of the Company;

b) 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

c) 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.

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

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 9M22		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
compensation		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Amounts paid for activities in the Company's Board of Directors	Financial	19,777	-	-	-	19,777
	Non-financial	4,961	-	-	-	4,961
Amounts paid for activities in the Company's Supervisory Board	Financial	-	900	-	-	900
	Non-financial	-	215	-	-	215
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	216	-	216
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	5,148	4,168	1,456	27,486	38,258
	Non-financial	95	160	42	2,984	3,281

Remuneration of the Group's key management personnel 9M21		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
compensation		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
Amounts paid for activities in the Company's Board of Directors	Financial	16,753	-	-	-	16,753
	Non-financial	2,548	-	-	-	2,548
Amounts paid for activities in the Company's Supervisory Board	Financial	-	900	-	-	900
	Non-financial	-	215	-	-	215
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	216	-	216
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	4,573	4,513	1,179	12,244	22,509
	Non-financial	1,475	859	43	1,573	3,950

Increase of the remuneration in 9M22 is related mainly to the inclusion of option scheme participants into Group's key management personnel since end of May 2021 (start of the second option scheme program).

4.15.3 OTHER RELATED PARTY TRANSACTIONS

There were no transactions concluded with the Group's related parties (those outside the consolidation group) in 9M22 and 9M21.

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.

30.9.2022	Financial assets at amortised cost CZK' 000	Derivatives at fair value through OCI CZK' 000	Financial liabilities at amortised cost CZK' 000	Total CZK' 000
Trade and other receivables	921,639	-	-	921,639
Cash and cash equivalents	607,300	-	-	607,300
Derivatives	-	74,366	-	74,366
Bank credits and loans	-	-	(3,249,600)	(3,249,600)
Lease liabilities	-	-	(378,243)	(378,243)
Trade and other payables	-	-	(2,070,299)	(2,070,299)
Total	1,528,939	74,366	(5,698,142)	(4,094,837)

31.12.2021	Financial assets at amortised cost CZK' 000	Derivatives at fair value through OCI CZK' 000	Financial liabilities at amortised cost CZK' 000	Total CZK' 000
Trade and other receivables	717,838	-	-	717,838
Cash and cash equivalents	391,517	-	-	391,517
Derivatives	-	92,046	-	92,046
Bank credits and loans	-	-	(3,417,004)	(3,417,004)
Lease liabilities	-	-	(427,163)	(427,163)
Trade and other payables	-	-	(1,452,669)	(1,452,669)
Total	1,109,355	92,046	(5,296,836)	(4,095,435)

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.

Original derivatives in CZK were terminated in June 2022 (see section 4.4 Other operating income for realized gain) and new derivative contracts were concluded in relation to the long-term part of the facility loan that is denominated in EUR. Balances related to derivatives in the Consolidated statement of other comprehensive income result from the termination of the original derivatives in CZK and valuation of newly concluded derivatives in EUR as of 30 September 2022.

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. The company was renamed to Semtex Republic s.r.o. as of 1 January 2022.

4.18. COVID-19 AND UKRAINE CRISES

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

For more than two years, we were witnessing the impacts of COVID-19 pandemic which limited free cross-border travelling. Lockdowns impacted mostly Group's sales in the HoReCa segment and also sales in UGO salateries and freshbars.

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

Currently, the Group is facing increasing prices of raw materials and energy. Ongoing war in Ukraine brings new risks and uncertainty to our business. The Group's management is very closely monitoring the development of the war conflict between Russia and Ukraine. The Group has already provided various forms of support to Ukrainian civilians and intends to continue in these activities as it cares about people in need. The whole situation impacts people, companies and states all around the world. The Group has no material direct exposure either to Russia or Ukraine. The war however impacts whole European economy and the increasing inflation rate is perceived also by the Group. Increasing input prices do not, however, represent a threat to the Group's ability to continue as a going concern as it has sufficient financial resources and is able to control its costs (e.g. by savings in marketing expenses) to a certain level. In case of the ongoing cost pressure, the Group may also increase the output prices to ensure profitability level expected by its stakeholders.

As of the date of this report, the production is in operation, we have continuing supplies of materials and energy (we are in close contact with our key suppliers). There were optimizations in CAPEX and OPEX and we plan to continue in this trend in the upcoming period based on actual development.

The Group updates its risk matrix on a regular basis and is aware of increased risks in connection with the war in Ukraine (such as already mentioned input prices). There can also be an increased frequency of cyber attacks but we haven't been subject to any such attack that would impact our daily operations or would lead to leakage of the sensitive information. Our IT department monitors the situation on the daily basis and executes necessary steps to continue in the defence of our data and systems.

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.

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. As a result, the Group used the going concern basis of accounting in preparing these financial statements.

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.

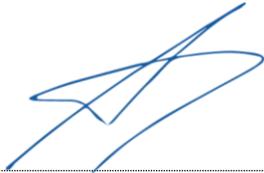
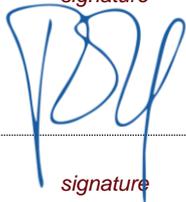
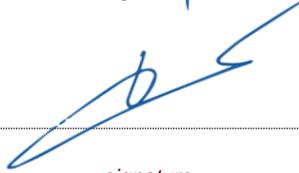
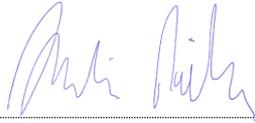
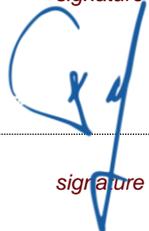
STATUTORY DECLARATION AND APPROVAL FOR PUBLICATION



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 September 2022.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES

24.11.2022	Janis Samaras	Chairman of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
24.11.2022	René Musila	Vice-Chair of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
24.11.2022	Daniel Buryš	Vice-Chair of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
24.11.2022	Martin Pisklák	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
24.11.2022	Martin Mateáš	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
24.11.2022	Marián Šefčovič	Member of the Board of Directors	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>

