



KOFOLA ČESKOSLOVENSKO A.S.  
3M 2023  
(unaudited)

INTERIM REPORT



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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	3M23	One-off adjustments	3M23 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	1,712.4	-	1,712.4
Cost of sales	(997.2)	-	(997.2)
<b>Gross profit</b>	<b>715.2</b>	-	<b>715.2</b>
Selling, marketing and distribution costs	(508.6)	-	(508.6)
Administrative costs	(140.9)	-	(140.9)
Other operating income/(costs), net	(51.4)	70.0	18.6
<b>Operating profit/(loss)</b>	<b>14.3</b>	<b>70.0</b>	<b>84.3</b>
Depreciation and amortisation	135.3	(1.4)	133.9
<b>EBITDA</b>	<b>*149.6</b>	<b>68.6</b>	<b>**218.2</b>
Finance income/(costs), net	(26.6)	-	(26.6)
Income tax	(23.3)	-	(23.3)
<b>Profit/(loss) for the period</b>	<b>(35.6)</b>	<b>70.0</b>	<b>34.4</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	(34.9)	70.0	35.1

\* 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 3-month period ended 31 March 2023 was affected by the following one-off items:

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

- Impairment of CZK 69.4 million in relation to plant Grodzisk Wielkopolski (Fresh & Herbs segment).
- Net costs connected with the closed Grodzisk Wielkopolski plant of CZK 0.5 million (Fresh & Herbs segment).
- Advisory costs of CZK 0.4 million (CzechoSlovakia and Adriatic segment).
- Net gain on sold items of Property, plant and equipment of CZK 0.3 million recognized in all business segments.

# 1. BUSINESS OVERVIEW AND OTHER MATTERS

Adjusted consolidated financial results	3M22	One-off adjustments	3M22 adjusted
	CZK'000 000	CZK'000 000	CZK'000 000
Revenue	1,505.9	-	1,505.9
Cost of sales	(909.7)	-	(909.7)
<b>Gross profit</b>	<b>596.2</b>	<b>-</b>	<b>596.2</b>
Selling, marketing and distribution costs	(501.6)	-	(501.6)
Administrative costs	(130.4)	-	(130.4)
Other operating income/(costs), net	0.6	(0.2)	0.4
<b>Operating profit/(loss)</b>	<b>(35.2)</b>	<b>(0.2)</b>	<b>(35.4)</b>
Depreciation and amortisation	149.3	(2.1)	147.2
<b>EBITDA</b>	<b>*114.1</b>	<b>(2.3)</b>	<b>**111.8</b>
Finance income/(costs), net	(62.9)	-	(62.9)
Income tax	(7.6)	0.3	(7.3)
<b>Profit/(loss) for the period</b>	<b>(105.7)</b>	<b>0.1</b>	<b>(105.6)</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	(103.4)	0.1	(103.3)

\* 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 3-month period ended 31 March 2022 was affected by the following one-off items:

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

- Costs connected with the support provided to parties impacted by the Ukraine war of CZK 0.9 million (Czechoslovakia segment).
- Net costs connected with the closed Grodzisk Wielkopolski plant of CZK 0.8 million (Fresh & Herbs segment).
- Restructuring costs of CZK 0.3 million (Fresh & Herbs segment).
- Advisory costs – Czechoslovakia segment incurred costs of CZK 0.1 million.
- 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 2.4 million recognized in all business segments (mainly Czechoslovakia).

Adjusted consolidated financial results	3M23	3M22	Change	Change
	CZK'000 000	CZK'000 000	CZK'000 000	%
Revenue	1,712.4	1,505.9	206.5	13.7%
Cost of sales	(997.2)	(909.7)	(87.5)	9.6%
<b>Gross profit</b>	<b>715.2</b>	<b>596.2</b>	<b>119.0</b>	<b>20.0%</b>
Selling, marketing and distribution costs	(508.6)	(501.6)	(7.0)	1.4%
Administrative costs	(140.9)	(130.4)	(10.5)	8.1%
Other operating income/(costs), net	18.6	0.4	18.2	4,550.0%
<b>Operating profit/(loss)</b>	<b>84.3</b>	<b>(35.4)</b>	<b>119.7</b>	<b>338.1%</b>
<b>EBITDA</b>	<b>218.2</b>	<b>111.8</b>	<b>106.4</b>	<b>95.2%</b>
Finance income/(costs), net	(26.6)	(62.9)	36.3	(57.7%)
Income tax	(23.3)	(7.3)	(16.0)	219.2%
<b>Profit/(loss) for the period</b>	<b>34.4</b>	<b>(105.6)</b>	<b>140.0</b>	<b>132.6%</b>
- attributable to owners of Kofola ČeskoSlovensko a.s.	35.1	(103.3)	138.4	134.0%

# 1. BUSINESS OVERVIEW AND OTHER MATTERS

## 1.1.2 FINANCIAL POSITION

### ASSETS

Property, plant and equipment decreased as a net result of additions of CZK 92.9 million, depreciation charge of CZK 119.0 million, downward FX revaluation of foreign Group entities' assets of CZK 37.7 million and impairment charge of CZK 69.4 million in relation to closed Grodzisk Wielkopolski plant (downward revaluation due to long-term unsuccessful sale effort). The most significant additions realized by the Group in 3M23 were represented by investments into the production machinery and returnable packages.

Intangible assets decreased mainly as a result of amortization charge of CZK 18.2 million.

Other non-current assets contain mainly prepayments, deferred expenses and receivable from derivatives. Decrease is attributable mainly to revaluation of derivatives (by CZK 20.9 million).

Trade and other receivables increased mainly due to higher trade receivables (by CZK 60.8 million) which was driven by increased sales.

Inventories increased due to higher sales and also due to increased material prices.

### LIABILITIES

Increase of the Bank credits and loans is a result of the regular loan repayment (CZK 45.5 million), overdraft and CAPEX tranche drawing (CZK 86.7 million) and downward FX revaluation (CZK 50.7 million).

Lease liabilities increased mainly as a result of vehicles lease additions.

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

Trade and other payables decreased mainly due to lower trade payables (CZK 203.9 million), trade payables balance is comparable with balance as of 31 March 2022.

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 3,423.5 million as at 31 March 2023, which represents an increase of CZK 128.5 million. Increase is influenced by the net cash outflow in the first quarter which is a standard situation because the first quarter has the smallest weight in the Group's annual results.

The Group's consolidated net debt / Adjusted LTM EBITDA as at 31 March 2023 was of 2.8 (as of 31 December 2022: 3.0).

## 1.1.3 CASHFLOWS

Cash flows from operating activities were higher by CZK 91.2 million mainly due to better operating result.

Cash flows from investing activities were higher by CZK 23.9 million mainly due to lower CAPEX in 3M23 (CZK 48.0 million in 3M23 as compared to CZK 75.3 million in 3M22).

Cash flows from financing activities were lower by CZK 134.8 million mainly due to lower net loan drawings by CZK 129.2 million in 3M23.

From the total balances in relation to repayments and drawings of loans and bank credits presented within the Consolidated statement of cash flows, amount of CZK 20.9 million represents the drawing of Group's overdraft (in 3M22: drawing of CZK 287.2 million).

## 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**

## **3M 2023**

**(unaudited)**

Kofola ČeskoSlovensko a.s.



# 1. CONSOLIDATED FINANCIAL STATEMENTS

## 1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 3-month period ended 31 March 2023 and 31 March 2022 in CZK thousand.

Consolidated statement of profit or loss	Note	3M23 CZK'000	3M22 CZK'000
Revenue	4.2	1,712,421	1,505,890
Cost of sales	4.3	(997,246)	(909,735)
<b>Gross profit</b>		<b>715,175</b>	<b>596,155</b>
Selling, marketing and distribution costs	4.3	(508,595)	(501,580)
Administrative costs	4.3	(140,909)	(130,377)
Other operating income	4.4	21,257	7,485
Other operating expenses	4.5	(72,644)	(6,829)
<b>Operating profit/(loss)</b>		<b>14,284</b>	<b>(35,146)</b>
Finance income	4.6	33,741	7,346
Finance costs	4.7	(60,369)	(70,205)
<b>Profit/(loss) before income tax</b>		<b>(12,344)</b>	<b>(98,005)</b>
Income tax (expense)/benefit	4.8	(23,288)	(7,642)
<b>Profit/(loss) for the period</b>	1.2	<b>(35,632)</b>	<b>(105,647)</b>
<i>Attributable to:</i>			
Owners of Kofola ČeskoSlovensko a.s.	1.5	(34,921)	(103,362)
Non-controlling interests	1.5	(711)	(2,285)
<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	(1.57)	(4.64)

*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 3-month period ended 31 March 2023 and 31 March 2022 in CZK thousand.

Consolidated statement of other comprehensive income	Note	3M23	3M22
		CZK'000	CZK'000
<b>Profit/(loss) for the period</b>	1.1	<b>(35,632)</b>	<b>(105,647)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
<b>Exchange differences</b>		<b>(28,835)</b>	<b>(23,237)</b>
Exchange differences on translation of foreign subsidiaries		(28,835)	(23,237)
<b>Derivatives accounted through Other comprehensive income</b>		<b>(13,593)</b>	<b>10,282</b>
Derivatives - Cash flow hedges		(16,782)	12,694
Deferred tax from Cash flow hedges	4.8	3,189	(2,412)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(42,428)</b>	<b>(12,955)</b>
<b>Total comprehensive income/(loss) for the period</b>	1.5	<b>(78,060)</b>	<b>(118,602)</b>
<i>Attributable to:</i>			
Owners of Kofola ČeskoSlovensko a.s.	1.5	(77,349)	(116,317)
Non-controlling interests	1.5	(711)	(2,285)

*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 31 March 2023 and 31 December 2022 in CZK thousand.

Assets	Note	31.3.2023	31.12.2022
		CZK' 000	CZK' 000
<b>Non-current assets</b>		<b>4,911,636</b>	<b>5,088,930</b>
Property, plant and equipment	4.10	2,966,577	3,098,477
Goodwill	4.11	647,864	647,969
Intangible assets	4.11	1,153,780	1,177,692
Other receivables		143,415	164,792
<b>Current assets</b>		<b>2,362,889</b>	<b>2,414,503</b>
Inventories		815,191	766,437
Trade and other receivables		1,036,234	997,989
Income tax receivables		23,469	23,635
Cash and cash equivalents		487,995	626,442
<b>Total assets</b>		<b>7,274,525</b>	<b>7,503,433</b>

Liabilities and equity	Note	31.3.2023	31.12.2022
		CZK' 000	CZK' 000
<b>Equity attributable to owners of Kofola ČeskoSlovensko a.s.</b>	1.5	<b>1,271,377</b>	<b>1,332,365</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	2,519,510	2,516,742
Foreign currency translation reserve	1.5	(58,910)	(30,075)
Own shares	1.5	(467,382)	(467,382)
Retained earnings/(Accumulated deficit)	1.5	126,433	161,354
<b>Equity attributable to non-controlling interests</b>	1.5	<b>(45,447)</b>	<b>(44,736)</b>
<b>Total equity</b>	1.5	<b>1,225,930</b>	<b>1,287,629</b>
<b>Non-current liabilities</b>		<b>3,615,365</b>	<b>3,664,098</b>
Bank credits and loans	4.12	3,016,365	3,058,226
Lease liabilities		251,852	252,594
Provisions		32,157	32,613
Other liabilities		16,237	16,825
Deferred tax liabilities	4.8	298,754	303,840
<b>Current liabilities</b>		<b>2,433,230</b>	<b>2,551,706</b>
Bank credits and loans	4.12	516,130	491,799
Lease liabilities		127,140	118,863
Provisions		47,170	100,509
Trade and other payables		1,737,628	1,832,832
Income tax liabilities		5,162	7,703
<b>Total liabilities</b>		<b>6,048,595</b>	<b>6,215,804</b>
<b>Total liabilities and equity</b>		<b>7,274,525</b>	<b>7,503,433</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 3-month period ended 31 March 2023 and 31 March 2022 in CZK thousand.

Consolidated statement of cash flows	Note	3M23 CZK' 000	3M22 CZK' 000
Cash flows from operating activities*			
Profit/(loss) before income tax	1.1	(12,344)	(98,005)
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.3	135,288	149,254
Net interest	4.6, 4.7	57,794	50,853
Impairment/(Release of impairment) of non-current assets		69,262	-
Change in the balance of provisions		(52,637)	(57,586)
Change in the balance of other impairments		(1,361)	(6,491)
Derivatives	4.6, 4.7	(242)	(7,018)
Realised (gain)/loss on sale of Property, plant and equipment and Intangible assets	4.4, 4.5	(272)	(2,389)
Net exchange differences		(36,032)	16,744
Other		25,502	15,475
Cash movements			
Income taxes paid		(25,404)	(26,647)
Change in operating assets and liabilities			
Change in receivables		(47,961)	(191,628)
Change in inventories		(56,651)	(102,925)
Change in payables		(89,524)	134,587
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(34,582)</b>	<b>(125,776)</b>
Cash flows from investing activities			
Sale of Property, plant and equipment		1,179	4,138
Acquisition of Property, plant and equipment and Intangible assets		(47,999)	(75,331)
Interest received		23	6
Loans granted		(500)	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(47,297)</b>	<b>(71,187)</b>
Cash flows from financing activities			
Lease payments		(33,150)	(31,268)
Proceeds from loans and bank credits		86,684	289,062
Repayment of loans and bank credits		(45,510)	(118,663)
Dividends paid to Company's shareholders		-	(13,516)
Interest paid		(57,150)	(50,096)
Realised derivatives	4.6, 4.7	242	7,018
Dividends not drawn		-	4,900
Other		1,016	(484)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(47,868)</b>	<b>86,953</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(129,747)</b>	<b>(110,010)</b>
Cash and cash equivalents at the beginning of the period	1.3	626,442	391,517
Effects of exchange rate changes on cash and cash equivalents		(8,700)	(4,961)
<b>Cash and cash equivalents at the end of the period</b>	1.3	<b>487,995</b>	<b>276,546</b>

\* The Group has elected to present cash flows from operating activities using the indirect method.

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 3-month period ended 31 March 2023 and 31 March 2022 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)		
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Balance as at 1 January 2023</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,516,742</b>	<b>(30,075)</b>	<b>(467,382)</b>	<b>161,354</b>	<b>1,332,365</b>	<b>1,287,629</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	(34,921)	(711)	(35,632)
Other comprehensive income/(loss)	1.2	-	-	(13,593)	(28,835)	-	-	-	(42,428)
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>(13,593)</b>	<b>(28,835)</b>	<b>-</b>	<b>(34,921)</b>	<b>(711)</b>	<b>(78,060)</b>
Option scheme		-	-	16,361	-	-	-	-	16,361
<b>Transactions with owners in their capacity as owners</b>		<b>-</b>	<b>-</b>	<b>16,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,361</b>
<b>Balance as at 31 March 2023</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,519,510</b>	<b>(58,910)</b>	<b>(467,382)</b>	<b>126,433</b>	<b>1,271,377</b>	<b>1,225,930</b>

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

# 1. CONSOLIDATED FINANCIAL STATEMENTS

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)		
		CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Balance as at 1 January 2022</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,533,344</b>	<b>(730)</b>	<b>(477,333)</b>	<b>129,457</b>	<b>1,336,464</b>	<b>(39,505)</b>
Profit/(loss) for the period	1.1	-	-	-	-	-	(103,362)	(103,362)	(2,285)
Other comprehensive income/(loss)	1.2	-	-	10,282	(23,237)	-	-	(12,955)	-
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>10,282</b>	<b>(23,237)</b>	<b>-</b>	<b>(103,362)</b>	<b>(116,317)</b>	<b>(2,285)</b>
Shares transfer to option scheme participants		-	-	(9,951)	-	9,951	-	-	-
Option scheme		-	-	7,305	-	-	-	7,305	-
<b>Transactions with owners in their capacity as owners</b>		<b>-</b>	<b>-</b>	<b>(2,646)</b>	<b>-</b>	<b>9,951</b>	<b>-</b>	<b>7,305</b>	<b>-</b>
<b>Balance as at 31 March 2022</b>		<b>1,114,597</b>	<b>(1,962,871)</b>	<b>2,540,980</b>	<b>(23,967)</b>	<b>(467,382)</b>	<b>26,095</b>	<b>1,227,452</b>	<b>(41,790)</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 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” distributed in KEG which 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, 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 LICENSED BRANDS
Waters	      	 
Non-carbonated beverages	  	
Carbonated beverages	      	  
Syrups		
Fresh Bars & Salateries		
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, in the Czech Republic. The Company's websites are <https://www.kofola.cz/> and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHQB359. Company's principal place of business is Ostrava.

Main area of activity of Kofola ČeskoSlovensko a.s. in 3M23 was 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.



## 2. GENERAL INFORMATION

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. AETOS a.s. is also an ultimate parent of the Group. The ownership structure is described in section 4.14.1.

### Stock exchange listing

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

### MANAGEMENT

As at 31 March 2023, the composition of the Board of Directors, Supervisory Board and Audit Committee was as follows:

#### BOARD OF DIRECTORS

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

#### SUPERVISORY BOARD

- René Sommer – Chair
- Tomáš Jendřejek
- Moshe Cohen-Nehemia
- Alexandros Samaras
- Ladislav Sekerka

#### AUDIT COMMITTEE

- Petr Šobotník – Chair
- Zuzana Prokopcová
- Lenka Frostová

## 2. GENERAL INFORMATION

### 2.2. GROUP STRUCTURE

Group structure chart as at 31 March 2023



#### Description of the group companies

Name of entity	Place of business	Segment (section 4.1)	Principal activities	Ownership interest and voting rights	
				31.3.2023	31.12.2022
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%
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%

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 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 1 January 2023.

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 three months ended 31 March 2023 and contain comparatives for the period of three months ended 31 March 2022 and as of 31 December 2022 (in case of the consolidated statement of financial position).

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.

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

Closing exchange rates	31.3.2023	31.12.2022	31.3.2022
CZK/EUR	23.490	24.115	24.385
CZK/PLN	5.030	5.152	5.241
CZK/HRK	n/a	3.200	3.220

### 3. SIGNIFICANT ACCOUNTING POLICIES

Average exchange rates	1.1.2023	1.1.2022	1.1.2022
	- 31.3.2023	- 31.12.2022	- 31.3.2022
CZK/EUR	23.785	24.565	24.653
CZK/PLN	5.052	5.245	5.334
CZK/HRK	n/a	3.260	3.268

Croatia is part of Eurozone since 1 January 2023, as such, the balances of Studenac d.o.o. have been translated to CZK from EUR.

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 2022.

#### 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 2022.

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

Several standards, amendments and interpretations apply for the first time in 2023, but do not have any material impact on the Group's financial statements.

### 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 31 March 2023 may be changed in the future. The main estimates pertain to the following matters:

Key estimates and judgements	
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.

Valuation of Group's CGU and individual assets is highly dependent on projected discount rates and business models which reflected also possible Ukraine crisis implications on the Group's activities.

Despite increasing input prices, there is no material impairment risk related to the Group's assets as of 31 March 2023.

#### 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 1 June 2023.



## 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. Three main business segments are presented within these financial statements. These are:

- 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 period of three months ended 31 March 2023 and in the comparative period of three months ended 31 March 2022 that generated more than 10% of the Group’s consolidated revenue.

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Business segments

1.1.2023 – 31.3.2023	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>1,253,487</b>	<b>259,873</b>	<b>229,829</b>	<b>1,743,189</b>	<b>(30,768)</b>	<b>1,712,421</b>
External revenue – excl. services	1,230,898	256,340	212,741	1,699,979	-	1,699,979
External revenue – services	3,979	3,455	5,008	12,442	-	12,442
Inter-segment revenue	18,610	78	12,080	30,768	(30,768)	-
<b>Operating expenses</b>	<b>(1,150,096)</b>	<b>(263,782)</b>	<b>(315,027)</b>	<b>(1,728,905)</b>	<b>30,768</b>	<b>(1,698,137)</b>
Related to external revenue	(1,131,486)	(263,704)	(302,947)	(1,698,137)	-	(1,698,137)
Related to inter-segment revenue	(18,610)	(78)	(12,080)	(30,768)	30,768	-
<b>Operating profit/(loss)</b>	<b>103,391</b>	<b>(3,909)</b>	<b>(85,198)</b>	<b>14,284</b>	<b>-</b>	<b>14,284</b>
Finance income/(costs), net	(28,656)	(253)	2,281	(26,628)	-	(26,628)
- within segment	(34,174)	(253)	7,799	(26,628)	-	(26,628)
- inter-segment	5,518	-	(5,518)	-	-	-
<b>Profit/(loss) before income tax</b>	<b>74,735</b>	<b>(4,162)</b>	<b>(82,917)</b>	<b>(12,344)</b>	<b>-</b>	<b>(12,344)</b>
Income tax (expense)/benefit	(21,268)	(3,258)	1,238	(23,288)	-	(23,288)
<b>Profit/(loss) for the period</b>	<b>53,467</b>	<b>(7,420)</b>	<b>(81,679)</b>	<b>(35,632)</b>	<b>-</b>	<b>(35,632)</b>
<b>EBITDA*</b>	<b>182,261</b>	<b>16,832</b>	<b>(49,521)</b>	<b>149,572</b>	<b>-</b>	<b>149,572</b>
One-offs (A 1.1.1)	(154)	382	68,355	68,583	-	68,583
<b>Adjusted EBITDA (A 1.1.1)</b>	<b>182,107</b>	<b>17,214</b>	<b>18,834</b>	<b>218,155</b>	<b>-</b>	<b>218,155</b>

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

Other segment information (1.1.2023 – 31.3.2023)	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*	59,033	24,640	12,446	96,119	-	<b>96,119</b>
Depreciation and amortisation	78,870	20,741	35,677	135,288	-	<b>135,288</b>
Other Impairment losses	662	-	70,195	70,857	-	<b>70,857</b>
Other Impairment losses reversals	(1,999)	(1,047)	(507)	(3,553)	-	<b>(3,553)</b>
Provisions - Increase due to creation	37,590	2,426	4,726	44,742	-	<b>44,742</b>
Provisions - Decrease due to usage/release	(77,635)	(4,709)	(15,035)	(97,379)	-	<b>(97,379)</b>

\* excluding acquisitions, including lease additions

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1.2022 – 31.3.2022	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>1,111,836</b>	<b>228,221</b>	<b>199,187</b>	<b>1,539,244</b>	<b>(33,354)</b>	<b>1,505,890</b>
External revenue – excl. services	1,085,887	225,597	183,625	1,495,109	-	1,495,109
External revenue – services	4,698	2,258	3,825	10,781	-	10,781
Inter-segment revenue	21,251	366	11,737	33,354	(33,354)	-
<b>Operating expenses</b>	<b>(1,097,826)</b>	<b>(250,564)</b>	<b>(226,000)</b>	<b>(1,574,390)</b>	<b>33,354</b>	<b>(1,541,036)</b>
Related to external revenue	(1,076,575)	(250,198)	(214,263)	(1,541,036)	-	(1,541,036)
Related to inter-segment revenue	(21,251)	(366)	(11,737)	(33,354)	33,354	-
<b>Operating profit/(loss)</b>	<b>14,010</b>	<b>(22,343)</b>	<b>(26,813)</b>	<b>(35,146)</b>	<b>-</b>	<b>(35,146)</b>
Finance income/(costs), net	(53,835)	(1,218)	(8,792)	(63,845)	986	(62,859)
- within segment	(59,762)	(232)	(2,865)	(62,859)	-	(62,859)
- inter-segment	5,927	(986)	(5,927)	(986)	986	-
<b>Profit/(loss) before income tax</b>	<b>(39,825)</b>	<b>(23,561)</b>	<b>(35,605)</b>	<b>(98,991)</b>	<b>986</b>	<b>(98,005)</b>
Income tax (expense)/benefit	(8,940)	141	1,157	(7,642)	-	(7,642)
<b>Profit/(loss) for the period</b>	<b>(48,765)</b>	<b>(23,420)</b>	<b>(34,448)</b>	<b>(106,633)</b>	<b>986</b>	<b>(105,647)</b>
<b>EBITDA*</b>	<b>100,042</b>	<b>3,210</b>	<b>10,856</b>	<b>114,108</b>	<b>-</b>	<b>114,108</b>
One-offs (A 1.1.1)	(1,004)	(347)	(995)	(2,346)	-	(2,346)
<b>Adjusted EBITDA (A 1.1.1)</b>	<b>99,038</b>	<b>2,863</b>	<b>9,861</b>	<b>111,762</b>	<b>-</b>	<b>111,762</b>

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

Other segment information (1.1.2022 – 31.3.2022)	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*	65,703	21,058	9,425	96,186	-	<b>96,186</b>
Depreciation and amortisation	86,032	25,553	37,669	149,254	-	<b>149,254</b>
Other Impairment losses	947	-	178	1,125	-	<b>1,125</b>
Other Impairment losses reversals	(7,400)	(1,174)	(552)	(9,126)	-	<b>(9,126)</b>
Provisions - Increase due to creation	24,835	2,416	4,496	31,747	-	<b>31,747</b>
Provisions - Decrease due to usage/release	(71,585)	(7,391)	(10,357)	(89,333)	-	<b>(89,333)</b>

\* excluding acquisitions, including lease additions

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Product lines

1.1.2023 - 31.3.2023	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Fresh bars & Salads	Other	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>619,834</b>	<b>161,999</b>	<b>543,092</b>	<b>129,722</b>	<b>103,842</b>	<b>153,932</b>	<b>1,712,421</b>
External revenue – excl. services	619,834	161,999	543,092	129,722	100,008	145,324	1,699,979
External revenue – services	-	-	-	-	3,834	8,608	12,442
1.1.2022 – 31.3.2022	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Fresh bars & Salads	Other	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>525,744</b>	<b>141,774</b>	<b>487,382</b>	<b>126,121</b>	<b>81,007</b>	<b>143,862</b>	<b>1,505,890</b>
External revenue – excl. services	525,744	141,774	487,382	126,121	77,881	136,207	1,495,109
External revenue – services	-	-	-	-	3,126	7,655	10,781

### Information about geographical areas – revenue per end customer

1.1.2023 - 31.3.2023	Czech Republic	Slovakia	Slovenia	Croatia	Poland	Other	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>1,000,810</b>	<b>411,228</b>	<b>172,692</b>	<b>63,786</b>	<b>27,776</b>	<b>36,129</b>	<b>1,712,421</b>
External revenue – excl. services	995,832	409,249	169,244	63,786	27,291	34,577	1,699,979
External revenue – services	4,978	1,979	3,448	-	485	1,552	12,442
1.1.2022 – 31.3.2022	Czech Republic	Slovakia	Slovenia	Croatia	Poland	Other	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
<b>Revenue</b>	<b>886,654</b>	<b>357,683</b>	<b>144,780</b>	<b>61,233</b>	<b>22,546</b>	<b>32,994</b>	<b>1,505,890</b>
External revenue – excl. services	880,762	355,046	142,528	61,233	22,546	32,994	1,495,109
External revenue – services	5,892	2,637	2,252	-	-	-	10,781
Non-current assets (excluding financial assets and deferred tax assets)	Czech Republic	Slovakia	Slovenia	Croatia	Poland	Other	Total
	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000	CZK'000
31.3.2023	3,186,037	916,394	544,713	136,735	62,889	-	<b>4,846,768</b>
31.12.2022	3,215,921	952,955	566,175	129,363	138,810	-	<b>5,003,224</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 2022, about 19.1% (17.4% in 2021) of revenue was earned in the 1st quarter, with 28.1% (27.1% in 2021), 29.8% (31.9% in 2021) and 23.0% (23.6% in 2021) of the annual consolidated revenue earned in the 2nd, 3rd and 4th quarters, respectively. Shares in particular quarters of both 2022 and 2021 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 period of three months ended 31 March 2023

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	3M23	3M22
	CZK'000	CZK'000
<b>Revenue from contracts with customers</b>		
- Sales of finished products/goods/materials (transferred at a point in time)	1,699,979	1,495,109
- Sales of transportation services (transferred over time)	2,694	3,529
- Franchise licences (transferred over time)	3,834	3,127
- Sales of other services (transferred over time)	5,914	4,125
<b>Total revenue</b>	<b>1,712,421</b>	<b>1,505,890</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	3M23	3M22
	CZK'000	CZK'000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	135,288	149,254
Employee benefits expenses (i)	388,979	367,029
Consumption of materials and energy, cost of goods and materials sold	848,479	771,163
Services	292,334	269,059
Rental costs	22,362	21,816
Taxes and fees	15,156	18,786
Insurance costs	4,595	4,913
Inventory write-down/(back)	(359)	(755)
Change in allowance to receivables	1,015	(3,642)
Change in finished products and work in progress	(59,889)	(55,126)
Other costs	234	1,308
<b>Total expenses by nature*</b>	<b>1,648,194</b>	<b>1,543,805</b>
Depreciation recognized in Other operating expenses	(1,444)	(2,113)
<b>Reconciliation of expenses by nature to expenses by function</b>	<b>1,646,750</b>	<b>1,541,692</b>
Cost of sales	997,246	909,735
Selling, marketing and distribution costs	508,595	501,580
Administrative costs	140,909	130,377
<b>Total costs of products and services sold, merchandise and materials, sales costs and administrative costs</b>	<b>1,646,750</b>	<b>1,541,692</b>

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

Depreciation decreased due to end of useful life of several assets during 2022. Employee benefits expenses increased mainly due to higher expenses in relation to option scheme. Direct material costs, costs of goods sold, energy costs and services increased mainly due to increased revenue but also due to higher material prices. Higher services were driven mainly by higher revenue.

#### (i) Employee benefits expenses

Employee benefits expenses	3M23	3M22
	CZK'000	CZK'000
Salaries	291,006	272,313
Social security and other benefit costs (including healthcare insurance)	45,679	44,015
Pension benefit plan expenses	52,294	50,701
<b>Total employee benefits expenses</b>	<b>388,979</b>	<b>367,029</b>



## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.4. OTHER OPERATING INCOME

Other operating income	3M23	3M22
	CZK'000	CZK'000
Net gain from the sale of PPE and Intangible assets	275	2,515
Reinvoiced payments	688	655
Subsidies, grants and government support*	16,823	1,038
Rental discounts	-	299
Compensation claims	519	1,309
Penalties and compensation for damages	658	390
Other	2,294	1,279
<b>Total other operating income</b>	<b>21,257</b>	<b>7,485</b>

\* Subsidies are, in accordance with IAS 20, presented as other operating income. There are no unfulfilled conditions in relation to these subsidies.

In 3M23, the Subsidies, grants and government support contain mainly the support related to high energy prices in 2022 (entitlement to recognize the revenue arose in 3M23).

### 4.5. OTHER OPERATING EXPENSES

Other operating expenses	3M23	3M22
	CZK'000	CZK'000
Net loss from disposal of PPE and Intangible assets	3	126
Net costs connected with inactive plant in Poland*	475	827
Impairment of PPE	69,405	-
Provided donations, sponsorship	446	2,234
Penalties and damages	258	346
Advisory services	420	117
Restructuring costs**	-	290
Other	1,637	2,889
<b>Total other operating expenses</b>	<b>72,644</b>	<b>6,829</b>

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

Impairment of Property, plant and equipment in 3M23 is resulting from the decrease of the expected value of the closed Grodzisk Wielkopolski plant (downward revaluation due to long-term unsuccessful sale effort).

### 4.6. FINANCE INCOME

Finance income	3M23	3M22
	CZK'000	CZK'000
Interest from:		
– bank deposits	13	6
– other	10	-
Exchange gains	33,476	293
Realized derivatives (original derivatives in CZK)	-	7,018
Realized derivatives (new derivatives in EUR)	242	-
Other	-	29
<b>Total finance income</b>	<b>33,741</b>	<b>7,346</b>

Exchange gains result mainly from the revaluation of the bank credits and loans (Czech Crown strengthening).

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.7. FINANCE COSTS

Finance costs	3M23	3M22
	CZK'000	CZK'000
Interest from:		
– bank loans and credits	54,559	47,878
– lease	3,217	2,940
– other	41	41
Exchange losses	345	17,297
Bank costs and charges	2,202	1,991
Other	5	58
<b>Total finance costs</b>	<b>60,369</b>	<b>70,205</b>

Increase of interest expense from bank loans and credits is caused by increased market interest rates. FX losses in 3M22 related mainly to the Company's EUR receivables.

### 4.8. INCOME TAX

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

Main income tax elements for the three-month period ended 31 March 2023 and 31 March 2022 were as follows:

Income tax	3M23	3M22
	CZK'000	CZK'000
<b>Current income tax expense/(benefit)</b>	<b>22,160</b>	<b>931</b>
Current income tax on profits for the year	22,133	921
Adjustments for current income tax of prior periods	27	10
<b>Deferred income tax expense/(benefit)*</b>	<b>1,128</b>	<b>6,711</b>
Related to arising and reversing of temporary differences	(685)	6,959
Related to tax losses	1,813	(248)
<b>Income tax expense/(benefit)</b>	<b>23,288</b>	<b>7,642</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 the foreign exchange differences arising on consolidation of foreign subsidiaries.

The income tax rate applicable to the majority of the Group's 3M23 and 3M22 income is 19%.

#### 4.8.2 INCOME TAX RECOGNISED DIRECTLY IN EQUITY

Income tax elements for the three-month period ended 31 March 2023 and 31 March 2022 were as follows:

Income tax recognised directly in equity	3M23	3M22
	CZK'000	CZK'000
<b>Deferred income tax</b>	<b>(3,189)</b>	<b>2,412</b>
Tax from Cash flow hedges	(3,189)	2,412
<b>Income tax recognised directly in equity</b>	<b>(3,189)</b>	<b>2,412</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	3M23	3M22
	Pcs	Pcs
Total number of ordinary shares issued by the Company	22,291,948	22,291,948
Effect of own shares in possession of the Company	-	(508)
Weighted average number of ordinary shares used to calculate basic earnings per share	<b>22,291,948</b>	<b>22,291,440</b>

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

Basic earnings per share	3M23	3M22
Profit/(loss) for the period attributable to owners of Kofola ČeskoSlovensko a.s. (CZK'000)	(34,921)	(103,362)
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22,291,948	22,291,440
Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK/share)	<b>(1.57)</b>	<b>(4.64)</b>

### 4.10. PROPERTY, PLANT AND EQUIPMENT

The additions to Property, plant and equipment were of CZK 92,853 thousand in 3M23.

The most significant additions realized by the Group in 3M23 were represented by investments into the production machinery and returnable packages.

Impairment of Property, plant and equipment in 3M23 is resulting from the decrease of the expected value of the closed Grodzisk Wielkopolski plant (downward revaluation due to long-term unsuccessful sale effort).

The additions to Property, plant and equipment were of CZK 94,694 thousand in 3M22 (including lease additions).

The most significant additions realized by the Group in 3M22 were represented by investments into the production machinery.

### 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 3M23 and 3M22, the additions to intangible assets were immaterial.

### 4.12. BANK CREDITS AND LOANS

#### Indebtedness of the group from the credits and loans

As at 31 March 2023, the Group's total bank loans and credits amounted to CZK 3,532,495 thousand (as at 31 December 2022: CZK 3,550,025 thousand).

From the total balances in relation to repayments and drawings of loans and bank credits presented within the Consolidated statement of cash flows (section 1.4), amount of CZK 20,850 thousand represents the increase of Group's overdraft (in 3M22: increase of CZK 287,241 thousand).

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 ONDŘÁŠOVKA a.s. and Karlovarská Korunní s.r.o.) with carrying amount of CZK 3,196,387 thousand as at 31 March 2023 (as at 31 December 2022: CZK 3,226,113 thousand) was a main component of

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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.

### **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 March 2022, the Group obtained a bank waiver for the breach of Debt service coverage ratio covenant.

All other bank loan covenants were met in 3M23 and 3M22.

## 4.13. 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 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. Although we estimate the risk of the plaintiff succeeding with the claim to be low, we note the outcome of legal proceeding is uncertain and therefore a potentially negative outcome cannot be completely excluded.

### **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. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.14. RELATED PARTY TRANSACTIONS

#### 4.14.1 SHAREHOLDERS STRUCTURE

Share capital structure	31.3.2023			31.12.2022		
	Number of shares	% in share capital	% in voting rights	Number of shares	% in share capital	% in voting rights
AETOS a.s.	14,984,204	67.22	70.58	14,984,204	67.22	70.58
RADENSKA d.o.o.	1,062,236	4.77	0.00	1,062,236	4.77	0.00
Others	6,245,508	28.01	29.42	6,245,508	28.01	29.42
<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 31 March 2023, the registered share capital of Kofola ČeskoSlovensko a.s. totalled CZK 1,114,597,400 (as at 31 December 2022: CZK 1,114,597,400) and comprised 22,291,948 (as at 31 December 2022: 22,291,948) common registered shares with a nominal value of CZK 50 (as at 31 December 2022: 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 3M22 (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:

- a) the acquisition took place outside the regulated market, directly from the company RADENSKA d.o.o., a subsidiary company of the Company;
- b) maximum number of shares to be acquired amounted up to 22,615 shares of the Company; and
- c) 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

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

Presented below is the structure of the remuneration of Group's key management personnel in 3M23 and 3M22.

Remuneration of the Group's key management personnel 3M23		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	14,216	-	-	-	14,216
	Non-financial	214	-	-	-	214
Amounts paid for activities in the Company's Supervisory Board	Financial	-	300	-	-	300
	Non-financial	-	72	-	-	72
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	72	-	72
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	3,191	2,984	927	16,425	23,527
	Non-financial	24	53	14	418	509

Remuneration of the Group's key management personnel 3M22		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	11,647	-	-	-	11,647
	Non-financial	5,287	-	-	-	5,287
Amounts paid for activities in the Company's Supervisory Board	Financial	-	300	-	-	300
	Non-financial	-	72	-	-	72
Amounts paid for activities in the Company's Audit Committee	Financial	-	-	72	-	72
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	2,923	2,281	801	15,527	21,532
	Non-financial	32	53	14	2,136	2,235

### 4.14.3 OTHER RELATED PARTY TRANSACTIONS

There were no transactions concluded with the Group's related parties (those outside the consolidation group) in 3M23 and 3M22.

## 4.15. FINANCIAL INSTRUMENTS

### 4.15.1 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.

31.3.2023	Financial assets at amortised cost	Derivatives at fair value through OCI	Financial liabilities at amortised cost	Total
	CZK '000	CZK '000	CZK '000	CZK '000
Trade and other receivables	887,346	-	-	887,346
Cash and cash equivalents	487,995	-	-	487,995
Derivatives	-	68,913	-	68,913
Bank credits and loans	-	-	(3,532,495)	(3,532,495)
Lease liabilities	-	-	(378,992)	(378,992)
Trade and other payables	-	-	(1,490,375)	(1,490,375)
<b>Total</b>	<b>1,375,341</b>	<b>68,913</b>	<b>(5,401,862)</b>	<b>(3,957,608)</b>

31.12.2022	Financial assets at amortised cost	Derivatives at fair value through OCI	Financial liabilities at amortised cost	Total
	CZK '000	CZK '000	CZK '000	CZK '000
Trade and other receivables	826,450	-	-	826,450
Cash and cash equivalents	626,442	-	-	626,442
Derivatives	-	85,696	-	85,696
Bank credits and loans	-	-	(3,550,025)	(3,550,025)
Lease liabilities	-	-	(371,457)	(371,457)
Trade and other payables	-	-	(1,670,313)	(1,670,313)
<b>Total</b>	<b>1,452,892</b>	<b>85,696</b>	<b>(5,591,795)</b>	<b>(4,053,207)</b>

## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



### Fair value of derivatives

In 2022, the Group concluded IRS contract. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted through Other comprehensive income (hedge accounting).

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.

### 4.16. UKRAINE CRISIS

Currently, the Group is facing increased prices of raw materials and fluctuating prices of 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. 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 increased prices are perceived also by the Group. They 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.

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.

### 4.17. SUBSEQUENT EVENTS



On 16 May 2023, Kofola a.s. (SK) and Mattoni 1873 a.s. signed with GP Alliance, s.r.o. an amendment to the agreement for the purchase of one-third shareholding (each) in General Plastic, a. s. GP Alliance, s.r.o. retains the remaining one-third of the shares. All parties have agreed not to disclose the price of the transaction. General Plastic, a. s. is a manufacturer of hot foam PET flake and PET preforms in Slovakia and uses recycled PET bottles for its production. Our acquisition is a logical step towards fulfilling our commitment for usage of recycled rPET and is also part of our sustainable packaging approach.

No other 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 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 31 March 2023.

**SIGNATURES OF THE COMPANY'S REPRESENTATIVES**

<b>1.6.2023</b>	<b>Janis Samaras</b>	<b>Chair of the Board of Directors</b>	
<i>date</i>	<i>name and surname</i>	<i>position/role</i>	<i>signature</i>
<b>1.6.2023</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>1.6.2023</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>1.6.2023</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>1.6.2023</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>1.6.2023</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>



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