

AUDIT COMMITTEE REPORT ON THE RESULTS OF ITS ACTIVITIES

Audit Committee (further also „the Committee“) was established in accordance with the Act No. 93/2009 Coll. on auditors and the amendment of certain acts, as amended (‘the Auditors Act’), and the Articles of Association of Kofola ČeskoSlovensko a.s. (further „the Company“) as the advisory body of the Supervisory Board.

Information on the establishment and members of the Audit Committee was published and is permanently available in accordance with the relevant legislation on Company’s web page <https://www.kofola.cz/en> in section “Investor”.

The Committee has three members elected by the General Meeting. There were no changes to the composition of the Committee during 2021.

A total of 6 meetings of the Committee were held in 2021, on 28 January, 9 April, 31 May, 30 August, 22 November and 14 December, and 3 meetings of the Committee were held in 2022 up to the date of this Annual General Meeting, on 14 March, 7 April and 25 May.

At the meetings, the Committee reviewed and discussed the quarterly financial results and annual financial statements, monitored the process of preparing the financial statements and consolidated financial statements, evaluated the effectiveness of the Company’s internal control, risk management and internal audit systems, and monitored the process of the statutory audit of the 2020 and 2021 financial statements and the 2020 and 2021 consolidated financial statements, respectively. At the April 2022 meeting, the Audit Committee was informed of the methodology and result of the impairment test of the valuation of the financial investment and cash-generating unit of UGO trade s.r.o. It also considered the independence of the statutory auditor, the audit firm and the provision of additional services to the Company. At its meeting in November, the Committee considered, among other things, the area of insurance in the Kofola ČeskoSlovensko Group, and the risk matrix was considered by the Committee at its meetings in April and December.

In view of the issues discussed, representatives of the external auditor, the Chairman of the Supervisory Board, the Chief Financial Officer of Kofola ČeskoSlovensko Group, the Chief Financial Officer of UGO trade s.r.o., internal auditor, group reporting manager are regularly invited to the Committee’s meetings and, if necessary, other senior employees of the Company responsible for the activities discussed by the Committee (in 2021, in particular the CFO of Kofola a.s. due to the acquisition of ONDŘÁŠOVKA a.s. and Karlovarská Korunní s.r.o. in 2020).

The external members of the Audit Committee (including the Chairman) were set a fixed monthly remuneration in accordance with the decision of the General Meeting.

The Audit Committee was able to inspect documents and records relating to the Company’s operations to the extent necessary for the performance of its activities.

Pursuant to the decision of the General Meeting of 28 June 2021, the external audit for the year 2021 in the Kofola ČeskoSlovensko Group was performed by KPMG Česká republika Audit, s.r.o. The Committee discussed the Company’s management letters addressing the findings of the 2021 audit, including recommendations for corrective actions to address them. During its meetings, the Committee was kept informed by the external auditor of the audit schedule and significant audit findings. Significant areas of the 2021 audit of Kofola ČeskoSlovensko Group included:

- Testing for impairment of intangible assets with indefinite useful lives (trademarks)
- Impairment testing of cash-generating unit and financial investment UGO

The Committee also noted the independent auditor’s opinion on the financial statements of the Company and the consolidated financial statements of the Kofola ČeskoSlovensko Group (“the Group”) as at 31 December 2021, that they had audited the financial statements and, in their opinion, they give a true and fair view, in all material respects, of the financial position, performance and cash flows of the Company and the Group in accordance with International Financial Reporting Standards as adopted by the European Union.

The Committee provides information on its conclusions to the Company's Supervisory Board, making recommendations for debate on items that were subject to the discussion by the Audit Committee.

The Committee states that in the monitored period, and as of the date of the preparation of this report, it did not find any significant facts of which the General Meeting and Public Audit Oversight Board should be informed in the fields that are designated for the Audit Committee through Act No. 93/2009 Coll. on auditors and the amendment of certain acts, as amended, through the Articles of Association of Kofola ČeskoSlovensko a. s. and through the internal regulations of the Company.

In Ostrava, on 23 May 2022

Audit Committee
Kofola ČeskoSlovensko a.s.