

CURRENT REPORT

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KOFOLA ČESKOSLOVENSKO A.S.

17 May 2023

*Inside information***Kofola Group acquires one third of shares in General Plastic, a. s.**

Yesterday, Mattoni 1873 a.s. and Kofola a.s. (SK) **signed an amendment to the agreement with GP Alliance, s.r.o. on the purchase of one-third of the shares in General Plastic, a. s.** ("company"), a Slovak producer of hot-washed PET flakes and PET preforms used to make PET bottles. This will give beverage producers the opportunity to effectively introduce the principles of the circular economy into their business. The remaining one-third of the shares remains with the original owner, the GP Alliance group of entrepreneur Ján Sabol.

Daniel Buryš, CEO of Kofola ČeskoSlovensko, commented on the purchase of the one-third stake, "*Our acquisition of General Plastic is a logical step towards fulfilling our commitment to the use of rPET recyclate, and is also part of our sustainable approach to packaging.*" Alessandro Pasquale, Executive President of the Mattoni 1873 group, adds, "*At the time of the announcement of our intention to enter General Plastic, Slovakia was finalizing preparations for the launch of a country deposit system for PET beverage bottles and cans. Today, in May 2023, the results of the Slovak deposit system are exceeding expectations and at the same time the Czech Ministry of the Environment has presented the first proposal for a deposit system for the Czech Republic. This is all great news for the beverage industry, which is beginning to seize the opportunity to become fully circular, and will be helped by similar acquisitions.*"

The transaction was initially reviewed by the antitrust authorities in Slovakia as well as in the Czech Republic. "*However, after in-depth consultations with the relevant authorities, we have concluded that the transaction is not subject to their approval. Currently, the conditions for settlement of the transaction have been met,*" explains Robert Spišák of GP Alliance.

All parties have agreed not to disclose the price of the transaction. The parties consider the date of the contractual amendment, **Tuesday 16 May, as the date of completion of the transaction**, which has thus become effective and has been settled.

General Plastic is one of the domestic leaders in plastics recycling. It has two plastic bottle reuse facilities. In Kolárovo, it cleans and grinds them into small flakes. In Senica, it produces preforms from the granulate for blowing the plastic bottles according to the individual needs of each beverage producer.

All three major beverage producers and the company's co-partners have already decided to invest in General Plastic's production. "*Until now, we have been able to grind plastic bottles into the primary recycling product - flakes. Thanks to the new investment, we are now also*

able to produce the final recycled granulate that is used to make new PET bottles. The multi-million-euro investment is now awaiting approval," explains Robert Spišák.

Thanks to the joint investment, the beverage producers will be able to handle the entire PET bottle recycling process - from collection to the production of new recycled bottles. *"And I am glad that General Plastic will thus help us to meet not only Slovak but also Czech obligations in the recycling of plastics, which are set by EU regulations,"* concludes Daniel Buryš.

For more information, please contact:

Lenka Frostová

IR manager

lenka.frostova@kofola.cz

Kofola ČeskoSlovensko a.s.
Nad Porubkou 2278/31a
708 00 Ostrava – Poruba
Czech Republic
<http://investor.kofola.cz/en>