KOFOLA ČESKOSLOVENSKO A.S. CONSOLIDATED ANNUAL FINANCIAL REPORT OF THE ISSUER 2024

BOARD OF DIRECTORS REPORT

This version of consolidated annual report has not been prepared in a single electronic reporting format ("the ESEF") and represents unofficial version of the official consolidated annual report published in accordance with ESEF in XHTML format. The Company made all the steps to ensure this version fully corresponds with the original version, except for usage of machine readable XBRL tagging, which are included only in the official XHTML version. In case of any difference in the presented information, opinions or interpretations the official version in XHTML format is legally binding.

The official consolidated annual report prepared in ESEF format is accessible on the following link:
https://investor.kofola.cz.

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1. KOFOLA AT A GLANCE

KOFOLA GROUP

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

CZK 11.1 BN 2024 REVENUES

14 PRODUCTION PLANTS

2,674 EMPLOYEES

LISTED ON PRAGUE STOCK EXCHANGE

CZECHIA

No. 2
PLAYER IN THE SOFT DRINKS MARKET

No. 2
WATER BRAND

SLOVAKIA

No. 1
PLAYER IN THE SOFT DRINKS MARKET

No. 1
WATER BRAND

SLOVENIA

No. 1
PLAYER IN THE SOFT DRINKS MARKET

No. 1
WATER BRAND

CROATIA

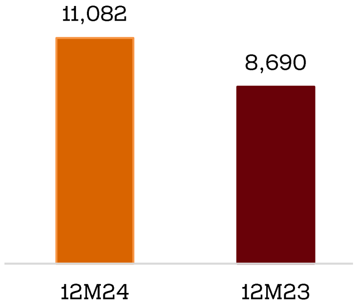
No. 4
PLAYER IN THE SOFT DRINKS MARKET

No. 2
WATER BRAND

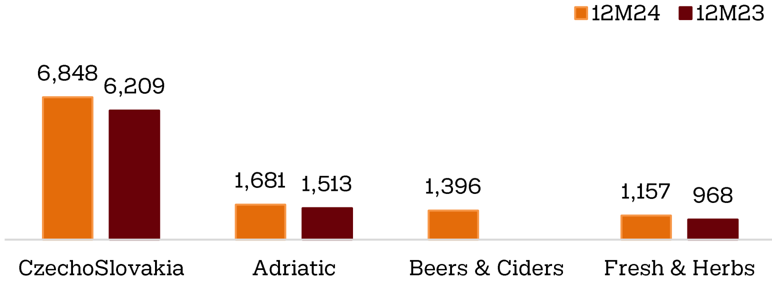
1. KOFOLA AT A GLANCE

FOR THE 12M PERIOD

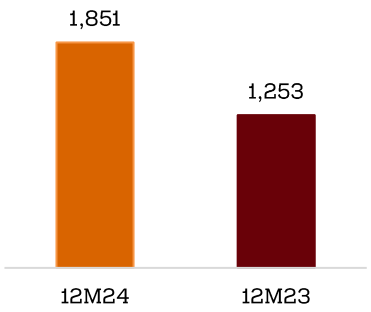
Revenue (CZKm)



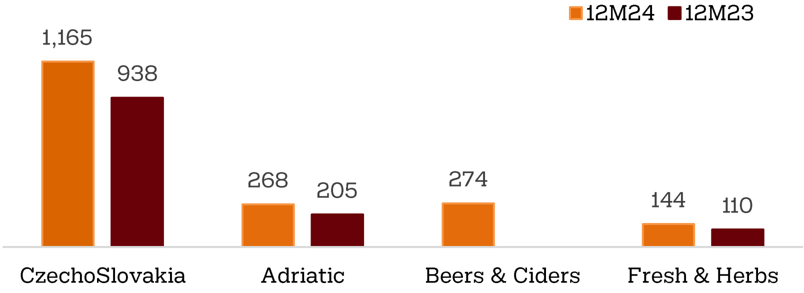
Revenue per main business segments (CZKm)



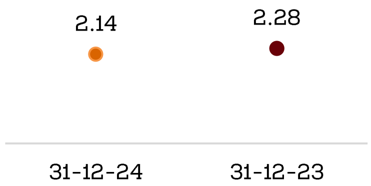
EBITDA (CZKm)



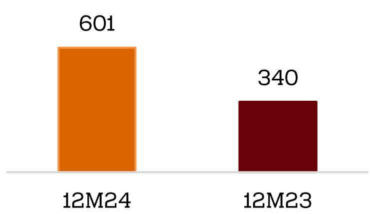
EBITDA per main business segments (CZKm)



Net debt/LTM EBITDA



Profit/(loss) for the period (CZKm)



The results and ratios above are based on adjusted results. For details on financial performance and reconciliation of reported and adjusted results refer to section 4.1.

1. KOFOLA AT A GLANCE

MAIN INFORMATION IN 2024*:

- **Group´s revenue increased by CZK 2,391.9 mil. (27.5%).**
- **Group´s EBITDA increased by CZK 597.6 mil. (47.7%).**
- **Very good results driven by sales in main season.**
- **Net profit increased by CZK 261.0 mil. (76.8%).**
- **Demonstration of strength of the Group's portfolio and customers' loyalty to Kofola brands.**
- **Entrance into new business segments (breweries, apple orchards, coffee plantations).**

Based on adjusted results.

2. CHAIRMAN´S STATEMENT

Dear Shareholders,

Getting to the top is hard but staying there is even harder. I've opened with this old sports saying since its message will resound throughout this introduction. Why? Because in 2024, Kofola broke through to new heights in many ways, achieving outstanding results. But 2025 has brought serious challenges right from the start, and keeping this up won't be easy.

I won't go into the figures – you'll see plenty of them in the following pages. But there are five things from 2024 I'm especially proud of, and I'd like to draw your attention to them.

In March, we completed the acquisition of the Zubr, Holba, and Litovel beer brands. We sent the best people available at Kofola to these breweries, where they invested enormous energy and effort. It's great to know that the brewmasters and their teams are making top-quality beer – a solid platform for success.

With the acquisition of MIXA VENDING, we have entered the food and beverage vending machine segment, a largely technology-driven line of business that is truly promising and where we can learn a lot.

Meanwhile, our core beverage divisions in CzechoSlovakia and the Adriatic region are significantly closer to their pre-Covid profitability levels. This is incredibly important. We are now fully seeing the integration of Ondrášovka and Korunní, and we are bringing successful new products to the market, such as Targa Florio and Radenska Functional.

The Fresh & Herbs segment continues to grow strongly. After years of investment, we are finally beginning to reap the rewards of our hard work. And both UGO and Leros still have plenty of potential.

The devastating floods in September once again confirmed to me how incredibly flexible and resilient Kofola can be. Our completely flooded plant in Krnov was back in full operation within a month – all thanks to the tremendous efforts of our employees, who did an incredible job in the clean-up and renovation. I would like to say a big thanks to everyone who rolled up their sleeves and pitched in – I deeply appreciate how much they care about Kofola and how fully they put their hearts into their work.

All of this is great news, but 2025 won't be easy. Why do I say this?

In Slovakia, a sugar tax was introduced right from January 1. It's high, it doesn't motivate producers to reduce sugar content, and its main effect is simply to raise product prices for end consumers. Therefore, we expect a fall in sales volumes of about 10% in Slovakia. It's also unfair that other sweet products such as chocolates and confectionery are exempted from the tax. Meanwhile, similar trends look set to appear in the Czech Republic and Slovenia.

Second, I can't understand the delay in introducing a deposit system for plastic bottles in the Czech Republic. As beverage producers, we want to recycle our own packaging and reuse it for our own production. We don't want to have to bargain for it, as is the case in today's system. We want consumers to return bottles to us so we can reprocess them. This places certain demands on consumers – explaining this to them and motivating them to do it is a challenge we will have to address.

Finally, consumer sentiment has cooled since the beginning of the year. We see it across almost all segments, and from customer feedback, it seems the market as a whole is experiencing the same. Maybe it's the lingering impact of the turbulent past few years, maybe it's just the effect of the bad winter weather – but it's definitely being felt in our sales. We are carefully analyzing this trend and preparing cost-side adjustments in response.

2. CHAIRMAN´S STATEMENT

Despite these challenges, I still believe we can achieve modest growth in 2025. As I wrote at the beginning: getting to the top is hard but staying there is even harder.

Finally, let me repeat something I said last year – I want to thank everyone who pulled together with us in 2024: our employees, suppliers, customers, shareholders and consumers. We couldn't have done it without you. My thanks to you all.

Jannis Samaras
Chairman of the Board of Directors
Kofola ČeskoSlovensko a.s.

3. KOFOLA GROUP

3.1. KOFOLA ČESKOSLOVENSKO

Kofola ČeskoSlovensko a.s. ("the Company") is a joint-stock company and was registered on 12 September 2012 in the Czech Republic. Its registered office is Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, Czech Republic and the identification number is 24261980. Ostrava is also a Company's principal place of business. The Company is recorded in the Commercial Register kept by the Regional Court in Ostrava (Czech Republic), section B, Insert No. 10735. The Company´s websites are http://www.firma.kofola.cz and the phone number is +420 595 601 030. LEI: 3157005DO9L5OWHBQ359.

3.2. KOFOLA GROUP

Basic information

Nature of Group's operations and principal activities is production and sale of non-alcoholic and alcoholic beverages.

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

The Group produces its products with care and love in fourteen production plants located in the Czech Republic (nine 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.

Besides traditional non-alcoholic drink segment, Group has also entered new smaller segments through the acquisition of coffee plantations and apple orchards. And with its acquisition of Pivovary CZ Group a.s. realized in March 2024, it has also entered the beer segment.

Key brands

Key own brands include carbonated beverages Kofola and Vinea, waters Radenska, Studenac, Rajec, Ondrášovka, Korunní and Kláštorná Kalcia, syrup Jupí, beverages for children Jupík, Semtex energy drink, UGO fresh juices and salads, fruit drinks and juices Rauch, Leros teas and coffee brands Café Reserva and Trepallini. From 2024 the key brands include also beers Zubr, Holba and Litovel. In selected markets, the Group distributes among others Evian, Vincentka or Dilmah products and under the licence produces Royal Crown Cola, Orangina 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.

3. KOFOLA GROUP

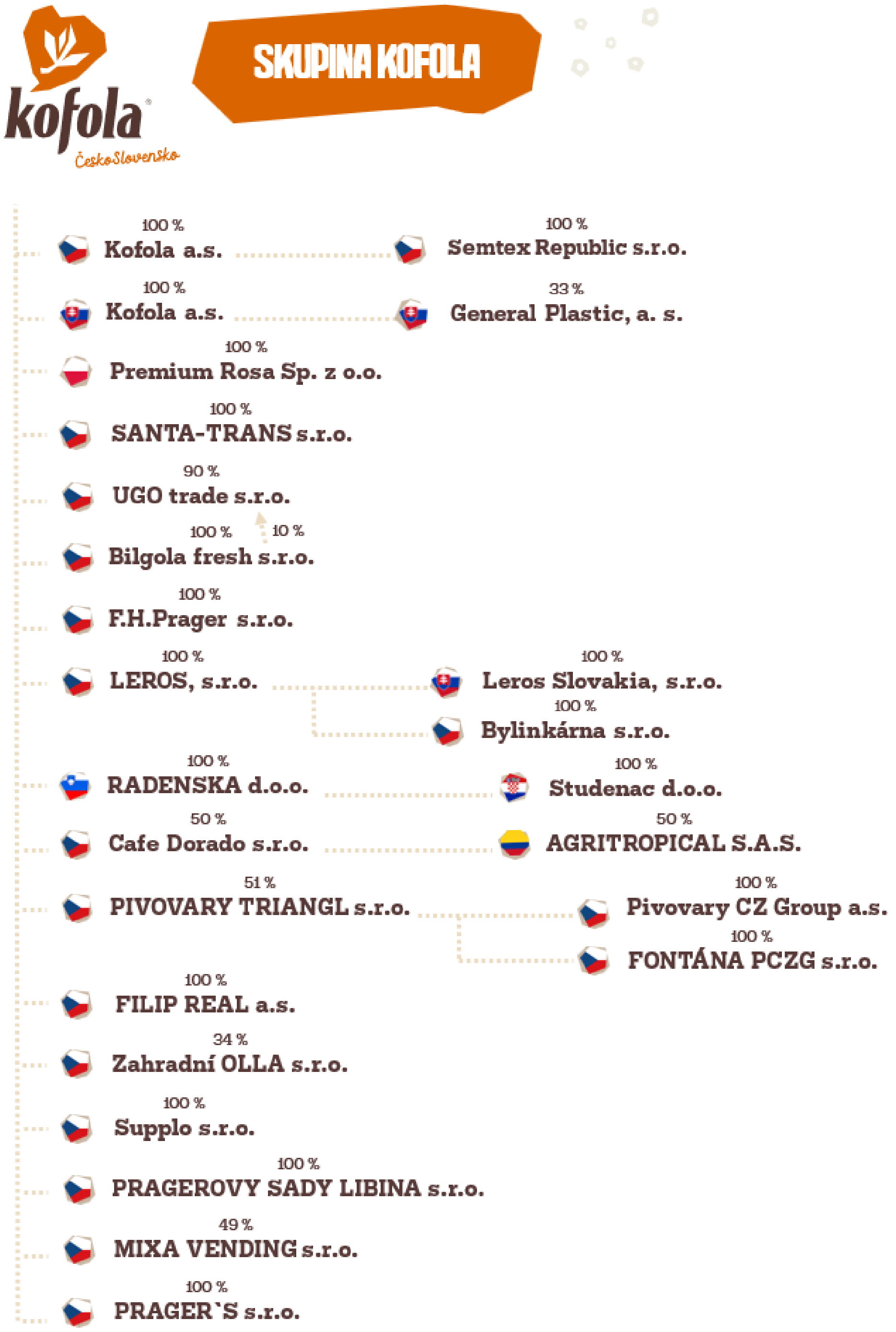
Main brands by categories are shown in the visualisation below:

Category	Most important own brands	Distributed and license brands
Carbonated Beverages	Kofola, Vinea, Top Topic, Targa Florio, Ora, Inka, Nara	Royal Crown Cola, Pepsi, Orangina
Waters	Rajec, Radenska, Kláštorná, Studenac, Studena, Korunní, Ondrášovka, Šaratica	Evian, Vincentka
Non-carbonated Beverages	Jupík, Premium Rosa, Nasze Domowe	Rauch
Syrups	Jupí	
Fresh & Salad Bars	UGO	
Beers & Ciders	Zubr, Holba, Litovel, Prager	
Other	Semtex, Mixa vending, Leros, Café Reserva, Trepallini	Dilmah

3. KOFOLA GROUP

3.3. GROUP STRUCTURE

Group structure as at 31 December 2024



3. KOFOLA GROUP

Name of entity	Place of business	Segment Section B.4.1	Principal activities	Ownership interest and voting rights 31.12.2024	31.12.2023
Holding companies					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company		
Cafe Dorado s.r.o.[1]	Czech Republic	n/a	holding company	50.00%	50.00%
PIVOVARY TRIANGL s.r.o.[3]	Czech Republic	Beers & Ciders	holding company	51.00%	51.00%
Bilgola fresh s.r.o.[5]	Czech Republic	n/a	holding company	100.00%	100.00%
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.[6]	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	Beers & Ciders	production and distribution of ciders and kombucha	100.00%	100.00%
Semtex Republic s.r.o.	Czech Republic	CzechoSlovakia	marketing activities	100.00%	100.00%
Zahradní OLLA s.r.o.[2]	Czech Republic	n/a	production and distribution of self-watering clay pots	34.00%	34.00%
FILIP REAL a.s.[3]	Czech Republic	CzechoSlovakia	hotel operation	100.00%	100.00%
Bylinkárna s.r.o.	Czech Republic	Fresh & Herbs	products completion and packaging	100.00%	100.00%
General Plastic, a. s.[4]	Slovakia	n/a	production of hot-washed PET flakes and PET preforms	33.33%	33.33%
AGRITROPICAL S.A.S.[5]	Colombia	n/a	coffee plantations	25.00%	25.00%
PIVOVARY CZ Group a.s.[7]	Czech Republic	Beers & Ciders	production and distribution of traditional beer brands Zubr, Holba and Litovel	51%	n/a
FONTÁNA PCZG s.r.o.[7]	Czech Republic	Beers & Ciders	wholesale of beer and soft drinks	51%	n/a
Supplo s.r.o.[8]	Czech Republic	CzechoSlovakia	B2B sales of products and services through the Marketplace model	100%	n/a
PRAGEROVY SADY LIBINA s.r.o.[8]	Czech Republic	Fresh & Herbs	apple orchards	100%	n/a
MIXA VENDING s.r.o.[8]	Czech Republic	CzechoSlovakia	vending machines operator	49%	n/a
PRAGER's s.r.o.[7]	Czech Republic	Beers & Ciders	production of fermented beverages	100%	n/a
Transportation					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

[1]Established in Jun 2023. [2]Acquired in Sep 2023. [3] Established in Nov 2023. [4] Acquired in May 2023. [5] Acquired in Dec 2023.
[6] Effective share of Kofola Group in UGO trade s.r.o. is 100% after the acquisition of Bilgola fresh s.r.o. in Dec 2023. [7] Established/acquired in March 2024. [8] Established/acquired in Jan 2024.

The Company fully consolidates PIVOVARY TRIANGL s.r.o., PIVOVARY CZ Group a.s. and FONTÁNA PCZG s.r.o., despite not holding 100% ownership in these entities. All information in this report is presented on that basis. MIXA VENDING s.r.o. is consolidated via equity method.

3. KOFOLA GROUP

3.4. SUCCESSES AND AWARDS

Czech Beer Tasting Competition
The breweries Zubr and Litovel from the Pivovary CZ Group have once again confirmed the quality of their beers by succeeding in the Czech Beer Tasting Competition, organised annually by the Czech Brewery and Maltster Association. The first place went to Zubr Gold in the draught beer category, while the bronze went to Litovel's non-alcoholic beer Cut Lemon.

PIVEX Golden Cup competition
The Zubr and Litovel breweries confirmed their exceptional quality at the 32nd edition of the PIVEX Golden Cup competition. The four-times-hopped ZUBR Grand became the absolute winner of the competition, also winning in the lager category. The brewery also won additional medals – ZUBR Gold took the gold in the light draft beer category, and ZUBR Gradus won the PIVEX Golden Keg category. The Litovel brand won bronze for the non-alcoholic beer Litovel Pomelo.

SOMOBORAC and SEMPL festival
We get awards for Studena brand on SOMOBORAC and SEMPL festival: Somoborac - Main price in the category Digitalna Aktivacija for the 'GucEye Protect' (Studena), SoMo Content - 'GucEye Protect' (Studena) and SoMo Content - 'Javi se za *eks!' (Studena).
SEMPL - Best use of digital world - Sexy Body Shop – Gold.

LEMUR PR Awards
The Kláštorná Kalcia brand won three medals at the LEMUR PR Awards – two golds and one bronze. The jury appreciated not only the long-term reputation and brand-building efforts but also the PR project "Castle Index," thanks to which we presented the most challenging hikes to Czech castles in the media and drew attention to the need to replenish calcium during physical exercize.

Golden Wedge
In the Slovak advertising competition "Zlatý klínec", which evaluates the best marketing achievements, we won three awards:
1st place for the Integrated Campaign Touches,
2nd place for the implementation of festival weddings in the Promo & Activation category and 3rd place for Loving Tattoos in the New Media category.

Kofola is the most trusted brand among carbonated soft drinks
Kofola became the Most Trusted Brand of the Year in Czech Republic and Slovakia in the Non-alcoholic drinks category.

4. BUSINESS OVERVIEW AND OTHER MATTERS

4.1. BUSINESS OVERVIEW

Revenue development in 2024

Year 2024 was very successful for the whole Kofola Group with the sales increase year over year by CZK 2,392 million (27.5%).

Revenue in the CzechoSlovakia business segment increased by CZK 638.2 million (10.3%) which is the biggest growth in the absolute terms and also a very satisfactory growth in percentage terms. Increase was driven mainly by summer season and, also, by successful Christmas sales.

In 2024, several acquisitions took place, the largest of which was the acquisition of breweries, leading to creation of a new business segment, Beers & Ciders. The Kofola Group has grown with the addition of the Pivovary CZ Group and its brands Zubr, Holba and Litovel, which performed well both on the domestic market and in exports. New business segment Beers & Ciders represents 12.6% of total revenue (CZK 1,396 million).

Adriatic region contributed to 2024 Group's revenue as well, it grew by CZK 168.2 million (11.1%), mainly due to very good main tourist season with a support of sales from novelties, such as new functional drinks.

The total sales of CzechoSlovakia and Adriatic segments represented 77.0% of total Group sales (88.9% in 2023). Decrease of percentage is mainly due to the new business segment Beers & Ciders.

Fresh & Herbs segment also experienced positive growth. This segment grew by 19.6% (CZK 189.6 million), mainly thanks to UGO (which is on a very positive business trajectory) and LEROS (organic growth resulting from the consistent effort in all company areas).

Adjustments of reported performance and position

Presented below is a description of the financial performance and financial position of Kofola Group in 2024. It should be read along with the financial statements and with other financial information contained in the attached consolidated financial statements. The Board of Directors is presenting and commenting on the consolidated financial results adjusted for one-off events in the following sections of part A.

4. BUSINESS OVERVIEW AND OTHER MATTERS

4.1.1 ADJUSTED CONSOLIDATED FINANCIAL RESULTS

Adjusted consolidated financial results	2024	One-off adjustments	2024 adjusted
	CZK´000 000	CZK´000 000	CZK´000 000
Revenue	11,082.0	-	11,082.0
Cost of sales	(6,037.1)	-	(6,037.1)
Gross profit	**5,044.9**	**-**	**5,044.9**
Selling, marketing and distribution costs	(3,201.0)	-	(3,201.0)
Administrative costs	(705.9)	-	(705.9)
Other operating income/(costs), net	105.1	(66.2)	38.9
Operating profit/(loss)	**1,243.1**	**(66.2)**	**1,176.9**
Depreciation and amortisation	674.1	-	674.1
EBITDA	***1,917.2**	**(66.2)**	****1,851.0**
Finance income/(costs), net	(315.8)	-	(315.8)
Income tax	(274.1)	14.0	(260.1)
Profit/(loss) for the period	**653.2**	**(52.2)**	**601.0**
- attributable to owners of Kofola ČeskoSlovensko a.s.	597.9	(58.0)	539.9

* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.
** Adjusted EBITDA refers to EBITDA adjusted for the effects of events and transactions that are non-recurring, extraordinary or unusual in nature, including in particular results from the sale of non-current assets and financial assets, costs not arising from ordinary operations, such as those associated with the impairment of property, plant and equipment, financial assets, goodwill and intangible assets, relocation costs and the costs of Group layoffs.

The result of the Kofola Group for the 12-month period ended 31 December 2024 was affected by the following one-off items:

In Other operating income/(costs), net:

- Insurance compensation connected to floods of CZK 174.9 million (CzechoSlovakia segment and Fresh & Herbs segment). This amount also includes CZK 50 million insurance compensation related to business interruption and also insurance compensations related to investments replacing damaged assets.
- Net gain on sold items of Property, plant and equipment of CZK 30.5 million recognized in all business segments.
- Gain on bargain purchase of PRAGEROVY SADY LIBINA s.r.o. of CZK 4.2 million (CzechoSlovakia segment).
- Gain on leasing of CZK 1 million (Adriatic segment).
- Costs connected to floods of CZK 108.2 million (CzechoSlovakia segment, Fresh & Herbs and Beers & Ciders segments). The amount does not include financial impacts of business interruption, replacement of damaged assets or necessary investments as a result of the floods.
- Advisory costs of CZK 11.4 million (CzechoSlovakia segment).
- Litigation costs of CZK 6.8 million (Adriatic segment).
- Insurance and transaction costs of CZK 6.1 million (Beers & Ciders segment).
- Restructuring costs of CZK 6 million (Fresh & Herbs and Beers & Ciders segments).
- Fixed assets provision costs of CZK 5.6 million (CzechoSlovakia segment).
- Insurance gain of CZK 2.3 million (Adriatic segment).
- Software licence fee costs of CZK 2.2 million (Beers & Ciders segment).
- Cost of fixed assets write off of CZK 0.4 million (Beers & Ciders segment).

4. BUSINESS OVERVIEW AND OTHER MATTERS

Adjusted consolidated financial results	2023	One-off adjustments	2023 adjusted
	CZK´000 000	CZK´000 000	CZK´000 000
Revenue	8,690.1	-	8,690.1
Cost of sales	(4,802.7)	-	(4,802.7)
Gross profit	**3,887.4**	**-**	**3,887.4**
Selling, marketing and distribution costs	(2,487.8)	-	(2,487.8)
Administrative costs	(707.1)	-	(707.1)
Other operating income/(costs), net	54.7	(28.2)	26.5
Operating profit/(loss)	**747.2**	**(28.2)**	**719.0**
Depreciation and amortisation	540.4	(6.0)	534.4
EBITDA	***1,287.6**	**(34.2)**	****1,253.4**
Finance income/(costs), net	(265.3)	-	(265.3)
Income tax	(112.9)	(0.8)	(113.7)
Profit/(loss) for the period	**369.0**	**(29.0)**	**340.0**
- attributable to owners of Kofola ČeskoSlovensko a.s.	365.4	(29.0)	336.4

* 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 12-month period ended 31 December 2023 was affected by the following one-off items:

In Other operating income/(costs), net:

- Advisory costs of CZK 6.6 million (CzechoSlovakia and Adriatic segments).
- Net costs connected with the closed Grodzisk Wielkopolski plant of CZK 3.4 million (Fresh & Herbs segment).
- Restructuring costs of CZK 2.3 million (Fresh & Herbs segment).
- Net gain on sold items of Property, plant and equipment of CZK 10.6 million recognized in all business segments, mainly Fresh & Herbs.
- Gain on sale of the closed Grodzisk Wielkopolski plant of CZK 29.9 million (Fresh & Herbs segment).

4.1.2 FINANCIAL PERFORMANCE

Adjusted consolidated financial results	2024	2023	Change	Change
	CZK´000 000	CZK´000 000	CZK´000 000	%
Revenue	11,082.0	8,690.1	2,391.9	27.5%
Cost of sales	(6,037.1)	(4,802.7)	(1,234.4)	25.7%
Gross profit	**5,044.9**	**3,887.4**	**1,157.5**	**29.8%**
Selling, marketing and distribution costs	(3,201.0)	(2,487.8)	(713.2)	28.7%
Administrative costs	(705.9)	(707.1)	1.2	(0.2%)
Other operating income/(costs), net	38.9	26.5	12.4	46.8%
Operating profit/(loss)	**1,176.9**	**719.0**	**457.9**	**63.7%**
EBITDA	**1,851.0**	**1,253.4**	**597.6**	**47.7%**
Finance income/(costs), net	(315.8)	(265.3)	(50.5)	19.0%
Income tax	(260.1)	(113.7)	(146.4)	128.8%
Profit/(loss) for the period	**601.0**	**340.0**	**261.0**	**76.8%**
- attributable to owners of Kofola ČeskoSlovensko a.s.	539.9	336.4	203.5	60.5%

Revenue

Increase of Group's revenue demonstrates the strength of its brands in their local markets where the customers' demand acted well on our well managed focus on our strong brands. The Kofola Group is also growing due to recent acquisitions, the largest of which was acquisition of Pivovary CZ Group, which is now presented in the new business segment Beers & Ciders.

	2024		2023		Change	
Business segments	Revenue	Share	Revenue	Share		
	CZK´000 000	%	CZK´000 000		CZK´000 000	%
CzechoSlovakia	6,847.6	61.8%	6,209.4	71.5%	638.2	10.3%
Adriatic	1,681.3	15.2%	1,513.1	17.4%	168.2	11.1%
Beers & Ciders	1,395.9	12.6%	-	-	1,395.9	100%
Fresh & Herbs	1,157.2	10.4%	967.6	11.1%	189.6	19.6%
Total	**11,082.0**	**100.0%**	**8,690.1**	**100.0%**	**2,391.9**	**27.5%**

CzechoSlovakia segment sales grew in all packaging formats. At home (syrups and drinks in 1.5l+ packaging) formats sales grew the most with double digit growth rate. All formats' sales grew also volume wise.

Sales realized by the Adriatic segment grew mainly due to successful tourist season and also due to support of novelties, such as Radenska FunctionALL. The sales growth from formats perspective was achieved in all formats.

New segment Beers & Ciders is now represented by newly acquired breweries (Zubr, Holba and Litovel) and also by F.H. Prager s.r.o. and PRAGER's s.r.o., companies producing ciders and fermented beverages.

Fresh & Herbs segment revenue was driven by UGO and LEROS. UGO is on an excellent business trajectory. LEROS has experienced excellent performance in shop, export, e-shop and gastro segment.

	2024		2023		Change	
Product lines	Revenue	Share	Revenue	Share		
	CZK´000 000	%	CZK´000 000	%	CZK´000 000	%
Carbonated beverages	3,874.8	35.1%	3,396.7	39.1%	478.1	14.1%
Waters	3,107.4	28.0%	2,831.1	32.6%	276.3	9.8%
Beers & Ciders	1,187.5	10.7%	-	-	1,187.5	100.0%
Non-carbonated beverages	712.8	6.4%	707.4	8.1%	5.4	0.8%
Syrups	588.5	5.3%	543.6	6.3%	44.9	8.3%
Fresh bars & Salads	567.4	5.1%	481.6	5.5%	85.8	17.8%
Other	1,043.6	9.4%	729.7	8.4%	313.9	43.0%
Total	**11,082.0**	**100.0%**	**8,690.1**	**100.0%**	**2,391.9**	**27.5%**

The activities of the Group concentrate on the production of beverages in four market categories: carbonated beverages (including cola beverages), non-carbonated beverages, types of bottled water and syrups. Together these categories accounted for 74.8% of the Group's revenue in 2024 (in 2023:

86.1%). The decrease is caused mainly due to new category Beers & Ciders. These beverages accounted for 10.7% share of whole revenue.

Sales by countries (per end customer)	2024 Revenue	2024 Share	2023 Revenue	2023 Share	Change	Change
	CZK´000 000	%	CZK´000 000	%	CZK´000 000	%
Czech Republic	6,177.8	55.8%	4,897.6	56.4%	1,280.2	26.1%
Slovakia	2,530.8	22.8%	2,103.5	24.2%	427.3	20.3%
Slovenia	1,040.7	9.4%	960.3	11.1%	80.4	8.4%
Croatia	499.9	4.5%	426.7	4.9%	73.2	17.2%
Poland	357.7	3.2%	109.3	1.3%	248.4	227.3%
Other	475.1	4.3%	192.7	2.1%	282.4	146.5%
Total	**11,082.0**	**100.0%**	**8,690.1**	**100.0%**	**2,391.9**	**27.5%**

The allocation of revenue to a particular country segment is based on the geographical location of customers. Sales has grown in all countries in comparison with 2023. Revenue grew the most in the Czech Republic (due to sales from Pivovary CZ Group a.s.) and Slovakia (as a result of higher sales of Kofola a.s. (SK)).

Increase of sales in Poland is connected with sales from Pivovary CZ Group a.s. (approximately CZK 181 million) and also with higher sales of Premium Rosa Sp. Z o.o.

Other represents the Group's export.

Cost of sales

Group's Cost of sales increased less than sales mainly due to lower energy costs and input material prices.

Selling, marketing and distribution costs

Selling, marketing and distribution costs are higher especially due to new companies within the Group. Also, there was an increase of transportation costs and marketing costs.

EBITDA

Adjusted EBITDA	2024	2023
	CZK´000 000/%	CZK´000 000/%
EBITDA*	1,851.0	1,253.4
EBITDA margin**	16.7%	14.4%

* EBITDA refers to operating profit/(loss) plus depreciation and amortisation.
** Calculated as (EBITDA/Revenue)*100%.

Adjusted EBITDA by business segments	2024 EBITDA	2024 EBITDA margin	2023 EBITDA	2023 EBITDA margin	Change	Change
	CZK´000 000	%	CZK´000 000	%	CZK´000 000	%
CzechoSlovakia	1,165.3	17.0%	938.0	15.1%	227.3	24.2%
Adriatic	267.9	15.9%	204.7	13.5%	63.2	30.9%
Beers & Ciders	274.3	19.7%	-	-	274.3	100%
Fresh & Herbs	143.5	12.4%	110.7	11.4%	32.8	29.6%
Total	**1,851.0**	**16.7%**	**1,253.4**	**14.4%**	**597.6**	**47.7%**

Positive revenue development and entrance into new business segments (especially breweries) lead to overall EBITDA increase.

Finance income/(costs), net

Worse financial result was influenced mainly by higher interest expense from bank credits and loans (by CZK 53.1 million) due to higher interest rates but also due to increased loan balance. There was also a negative FX effect of CZK 32.1 million.

Income tax

Higher income tax is a result of higher taxable profits in Group companies.

4.1.3 FINANCIAL POSITION

Consolidated statement of financial position	31.12.2024	31.12.2023	Change	Change
	CZK´000 000	CZK´000 000	CZK´000 000	%
Total assets	**10,873.0**	**8,027.6**	**8,027.6**	**2,993.4**
Non-current assets	**7,246.1**	**5,130.3**	**5,130.3**	**2,229.7**
Property, plant and equipment	4,410.3	3,113.3	3,113.3	1,297.0
Intangible assets	1,668.8	1,159.8	1,159.8	509.0
Goodwill	780.9	662.3	662.3	232.5
Investments in equity accounted investees	190.6	75.7	75.7	114.9
Deferred tax assets	54.2	38.6	38.6	15.6
Other	141.3	80.6	80.6	60.7
Current assets	**3,626.9**	**2,897.3**	**2,897.3**	**763.7**
Inventories	941.9	706.2	706.2	235.7
Trade and other receivables	1,451.4	1,119.9	1,119.9	331.5
Cash and cash equivalents	1,230.0	1,071.1	1,071.1	158.9
Other	3.6	0.1	0.1	37.6
Total equity and liabilities	**10,873.0**	**8,027.6**	**8,027.6**	**2,993.4**
Equity	**2,024.0**	**1,457.9**	**1,457.9**	**680.0**
Non-current liabilities	**4,740.0**	**3,762.7**	**3,762.7**	**977.3**
Bank credits and loans	3,692.1	3,153.9	3,153.9	538.2
Lease liabilities	299.4	215.9	215.9	83.5
Deferred tax liabilities	444.7	264.5	264.5	180.2
Other	303.8	128.4	128.40	175.4
Current liabilities	**4,109.0**	**2,807.0**	**2,807.0**	**1,336.1**
Bank credits and loans	1,077.0	447.3	447.3	629.7
Lease liabilities	115.2	113.7	113.7	1.5
Trade and other payables	2,581.9	1,982.4	1,982.4	599.5
Other	334.9	263.6	263.6	105.4

ASSETS

Property, plant and equipment increased as a net result of acquisition of subsidiaries of CZK 937.8 million, additions of CZK 1,032.2 million and depreciation charge of CZK 674.1 million. The most significant additions realized by the Group in 2024 were represented by investments into the production machinery, returnable packages and vehicles.

Intangible assets increased mainly as a result of newly acquired breweries and its fair value of brands Zubr, Holba and Litovel.

Increase of goodwill by CZK 118.6 million is caused by acquisitions of Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o.

Investments in equity accounted investees represent mainly 1/3 share in General Plastic, a. s., a Slovak producer of hot-washed PET flakes and PET preforms used for production of PET bottles and also 50%

share in Cafe Dorado s.r.o. The increase in 2024 is connected with MIXA VENDING, s.r.o., where 49% stake in MIXA VENDING, s.r.o. was purchased in January 2024.

Deferred tax asset represents mainly the asset from share based payment.

Inventories increased due to higher purchases and also due to newly acquired companies within the Group.

Trade and other receivables increased mainly due to higher trade receivables (CZK 286.8 million) which was driven by increased sales, new acquisitions and also by an accrued revenue for an insurance compensation related to floods (CZK 124.9 million).

LIABILITIES

Increase of the Bank credits and loans (both current and non-current) is a result of the regular loan repayment (CZK 317.8 million), overdraft and CAPEX tranche drawing (CZK 1,599.0 million) and FX revaluation.

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

Deferred tax liability represents mainly deferred tax liability attributable to property, plant and equipment.

Other non-current liabilities grew mainly due to other financial liability of PIVOVARY TRIANGL s.r.o., which is related to a loan provided by the minority shareholders of PIVOVARY TRIANGL s.r.o. (RSJ PE SICAV a.s. and ÚSOVSKO a.s.).

Trade and other payables increased mainly due to higher trade payables (CZK 235.0 million) and other current financial liabilities (CZK 98.2 million), which are represented by deferred payable of PIVOVARY TRIANGL s.r.o. in relation to acquisition of Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o. There were also higher advances (current) received for returnable packages (CZK 105.9 million) primarily due to newly acquired companies within the Group.

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 3,953.6 million as at 31 December 2024, which represents an increase of CZK 1,094.0 million. Increase is caused by new tranches drawing.

The Group´s consolidated net debt / Adjusted LTM EBITDA as at 31 December 2024 was of 2.14 (as of 31 December 2023: 2.28).

4.1.4 CASHFLOWS

Cash flows from operating activities were higher by CZK 191.4 million mainly due positive Group results.

Cash flows from investing activities were lower by CZK 1,939.8 million mainly due to cash outflows connected with the acquisition of subsidiaries in the amount of CZK 1,490.3 million and purchase of intangible assets and fixed assest in the amount of CZK 407.6 million.

Cash flows from financing activities were higher by CZK 1,465.9 million mainly due to cash inflows from drawings of bank loans.

4.1.5 TRANSACTIONS WITH RELATED PARTIES THAT SUBSTANTIALLY INFLUENCED FINANCIAL PERFORMANCE

There were no transactions with related parties that substantially influenced financial performance for the reported period ended 31 December 2024.

4.1.6 MAIN RISKS AND UNCERTAINTIES IN SUBSEQUENT PERIOD

Kofola Group faces several risks and uncertainties that could impact our business performance. One of the primary risks continues to be the volatility in raw material prices, particularly in the context of global supply chain disruptions. The ongoing geopolitical tensions and economic instability in key markets can lead to increased costs for essential inputs. These fluctuations can adversely affect our margins if we are unable to pass on these cost increases to consumers through pricing adjustments. Additionally, the energy market remains highly unpredictable. Although we have seen some stabilization in energy prices recently, there is still a significant risk of price spikes. On the macroeconomic front, the risk of inflation remains a concern as high inflation rates are affecting consumer purchasing power, potentially leading to reduced demand for non-essential goods, including beverages.

The introduction of the sugar tax in Slovakia presents a significant risk to Kofola's sales and profitability in the region. This tax is expected to increase production costs and potentially impact consumer demand, especially for products containing higher sugar content, which may lead to shifts in purchasing behavior and market dynamics.

Higher inflation led also to a significant increase of interest rates. As a reaction, we have transferred 60% of our bank credits and loans to EUR in mid 2022 from which we already realized significant savings on interest expense. The substantial part however remains in Czech Crowns and as such is subject to risk of interest rate fluctuation.

Currently, we have very solid financial position. We have sufficient cash balances and flexibility in our expenses. We also closely monitor the situation and create scenarios during our regular top management meetings. Still, we believe that the war ends soon and with it also risks of continuing price increases, and the uncertainty about upcoming development in general.

4.1.7 EXPECTED DEVELOPMENT IN SUBSEQUENT PERIOD

In 2025, the CzechoSlovakia segment will continue to build and further enhance its competence of being comprehensive supplier with the complete offer of beverages. In the Retail channel, CzechoSlovakia segment will mainly support its most significant brands. Due to the new legislation in Slovakia we will focus on water portfolio which is independent from sugar tax in Slovakia (Rajec, Kláštorná Kalcia). Water portfolio will be also supported in the Czech Republic, especially brands Korunní and Ondrášovka. We will also support innovations campaigns for premium soft drink brands Vinea, Targa Florio and Royal Crown Cola. In the HoReCa channel the priority will be given to draught Kofola which will be also presented in summer music festivals. Maximum focus will be given to launch and development of a new brand of juices Curiosa as well as of a new brand of Dilmah Ice Tea. The CzechoSlovakia segment will manage continuously increasing costs translating into sales prices and seeking further internal optimizations.

In the Adriatic region, the first quarter of 2025 has experienced a decline in consumption across both markets. This downturn has been influenced by a boycott in Croatia during January and February, as well as by an increase in the tax rate on sugary beverages in Slovenia at the beginning of the year. These factors have contributed to a less favorable sales environment. Despite these challenges, we are committed to overcoming obstacles and are optimistic about the upcoming second quarter. We have successfully launched a new flavor, "Collagen," within our functional water category and in the carbonated soft drinks category we are preparing to introduce new flavor, Ora Tangerine. We believe our proactive product development and commercial-marketing strategies will position us for growth.

In LEROS, the company has entered 2025 with a very promising start. In the first quarter, revenues exceeded the business unit plan by 11% and were 14% higher year-on-year, with EBITDA also outperforming the budget. The upcoming off-season period brings three key objectives: to keep EBITDA as close to zero as possible despite the seasonal slowdown, to complete the construction of a new coffee roasting facility (the contract has already been signed), and to prepare effectively for the high season in the last quarter of the year. Based on the performance so far and the planned activities, we are confident that LEROS will successfully meet these goals and deliver at least the budgeted EBITDA of CZK 26 million.

In Premium Rosa, the company is in line with expectations for the first quarter, both in terms of revenue and EBITDA. In April, the company completed an extension of its production capacities with the installation of a new monobloc line. Similar to LEROS, Premium Rosa is now entering the off-season (April to August). During this period, the company will focus on mitigating the temporary drop in sales of the Premium Rosa brand by promoting distributed summer-oriented brands such as Kofola, Royal Crown, and Kombucha. At the same time, preparations are underway for the main sales season in the last quarter of the year. Management remains confident in the company's ability to meet the full-year budgeted EBITDA. UGO continues to demonstrate strong growth in both transactions and revenues, driven primarily by the performance of its Quick Service Restaurants segment. A key milestone was the opening of the largest UGO Salaterie on 1 April 2025, which has exceeded expectations from its very first day of operation. The company plans to expand its footprint by opening several new Salateries and Freshbars, both under direct ownership and through franchised partnerships. In 2025, UGO will maintain a strong focus on portfolio development, further digitalisation, and the enhancement of its loyalty program to strengthen customer engagement and operational efficiency. UGO is also seeing continued growth in the retail segment, supported by increasing demand from both retailers and end consumers for its pascalized fresh juices, smoothies, lemonades, and the newly introduced kombuchas.

In Beers & Ciders business segment, organizational changes related to the integration of breweries into the Kofola Group in March 2024 should be completed at the beginning of 2025, with the aim of preparing for expanding the distribution of its products in retail as well as among gastronomy customers in the Czech Republic, and on defending existing positions and development of new ones in export markets. Investments in marketing will be increased, supported by the redesign of the Holba and Zubr brands, with the goal of refreshing their portfolios.

We plan to further support a development of our own brands and also a distribution of our partners' brands with focus on CEE region.

We will also focus on the successful takeover and further development of newly acquired companies, see note 4.10.

For analysis of challenges related to war at Ukraine plese refer to note 4.9.

4.1.8 ALTERNATIVE PERFORMANCE INDICATORS

Even though ESMA (European Securities and Markets Authority) does not require a reconciliation of Alternative Performance Indicators (APM) to financial statements if the APM can be defined from the financial statements, we add such a reconciliation for better understanding of our calculation of EBITDA and Net debt.

Definition and reconciliation of APM to the financial statements (FS)		**FS**	**Line in FS**
Revenue	A	Statement of Profit or Loss	Revenue
Cost of sales	(B)	Statement of Profit or Loss	Cost of sales
Gross profit	**A+B=C**	**Statement of Profit or Loss**	**Gross profit**
Selling, marketing and distribution costs	(D)	Statement of Profit or Loss	Selling, marketing and distribution costs
Administrative costs	(E)	Statement of Profit or Loss	Administrative costs
Other operating income/(costs), net	F	Statement of Profit or Loss	Other operating income + Other operating expenses
Operating profit/(loss)	**C+D+E+F=G**	**Statement of Profit or Loss**	**Operating profit/(loss)**
Depreciation and amortisation	H	Statement of Cash Flows	Depreciation and amortisation
EBITDA	**G+H=I**	**-**	**-**
Bank credits and loans	J	Statement of Financial Position	Bank credits and loans*
Lease liabilities	K	Statement of Financial Position	Lease liabilities*
Cash and cash equivalents	L	Statement of Financial Position	Cash and cash equivalents
Net debt	**J+K-L =M**	**-**	**-**
Net debt/EBITDA	M/I	-	-

* In both current and non-current liabilities.

Purpose of APM:

A. EBITDA

The Company uses EBITDA because it is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the Company's depreciation and amortisation policy, capital structure and tax treatment. EBITDA indicator is also treated as a good approximation for operating cash flow. Additionally, it is one of the fundamental indicators used by companies worldwide to set their key financial and strategic objectives.

The Company uses EBITDA indicator also in budgeting process, benchmarking with its peers and as a basis for remuneration for key management staff. Such indicator is also used by stock exchange and bank analysts.

B. Net debt

The Company uses Net debt indicator because it shows the real level of a Company's financial debt, i.e. the nominal amount of debt net of cash, cash equivalents, and highly liquid financial assets held by the Company. The indicator allows assessing the overall indebtedness of the Company.

C. Net debt/EBITDA

The Company uses Net debt/EBITDA indicator because it indicates a Company's capability to pay back its debt as well as its ability to take on additional debt to grow its business. Additionally, the Company uses this indicator to assess the adequacy of its capital structure and stability of its expected cash flows. Such indicator is also used by stock exchange and bank analysts.

4.1.9 DIVIDEND POLICY

In June 2024, the Board of Directors of the Company approved the Company's dividend policy for the periods of 2024 and 2025. 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. This dividend policy was announced at the General Meeting on 28 June 2024.

The actual amounts of dividends for 2024 and 2023 are described in section B.1.5.

4.2. AUDITORS REMUNERATION

The amounts charged by professional advisors and auditors are presented within sections B.4.31 and C.4.30.

4.3. INTELLECTUAL PROPERTY AND LICENCES

Intellectual property and licenses

The Group relies on the strength of its brands which are registered trademarks protected by local legislation in its countries of operation. The Group has also registered a number of industrial designs (drink bottles and other beverage packaging).

Kofola ČeskoSlovensko a.s. owns the most licenses, trademarks for branded beverages and similar copyrights, for the use of which the other Group companies pay royalties. The Vinea and Kláštorná Kalcia trademarks are the exception and are owned by Kofola a.s. (SK). Slovenian brands Radenska and Ora are owned by RADENSKA d.o.o. and are mainly sold in the Adriatic region. Café Reserva is owned by LEROS, s.r.o.

Some of the key trademarks and industrial designs are also protected at international level as (i) Community Trade Marks (CTMs) (e.g. the Kofola, Rajec and Vinea trademarks) or Registered Community Designs (RCDs), which are registered through EUIPO and protected in the EU as a whole, or (ii) international trademarks (IRTs) (e.g. the Jupík, Vinea trademarks), which are registered through WIPO and protected in a number of other specific export countries (e.g. Italy and Switzerland).

The Group uses a number of registered Internet domains, including "kofola.cz" & "kofola.sk", "jupik.com", "rajec.com", "ugo.cz" & "ugo.sk", "radenska.si", "ondrasovka.cz", "korunni.cz", "semtex-energy.cz" or "targaflorio.cz" and "targaflorio.sk".

The Group entered into the following main licensor and distribution agreements:

- distribution agreements under which the Group has the exclusive right to distribute Rauch's products in the territory of the Czech Republic and Slovakia,

- distribution agreement under which the Group has the exclusive right to distribute Evian products (water) in the territory of the Czech Republic and Slovakia,
- distribution agreement under which the Group has the exclusive right to distribute Vincentka (natural mineral water) in the territory of the Czech Republic,
- licensor agreement under which the Group has the exclusive right to purchase beverage concentrates to manufacture, bottle and sell carbonated beverage RC Cola,
- licensor agreement under which the Group has the exclusive right to purchase beverage concentrates to manufacture, bottle and sell carbonated beverage Orangina,
- licensor and distribution agreement under which the Group has the exclusive right to produce and distribute the PepsiCo portfolio products in the Slovenian market and since January 2016 also in the Croatian market.

In the Company´s opinion, there are no other patents or licences, industrial, commercial or financial contracts or new manufacturing processes which would be material to the Company´s or the Group's business or profitability and which are not included in the Annual report.

4.4. RESEARCH AND DEVELOPMENT AND OTHER INFORMATION

In 2024, the Group carried out research and development activities and incurred costs of CZK 6.2 million (2023: CZK 6.6 million).

The Company does not operate an organisational unit abroad.

4.5. TECHNOLOGY AND PRODUCTION AND OTHER NON-CURRENT ASSETS

The Group manufactures its products in fourteen main production plants located in the Czech Republic (nine plants – Krnov, Mnichovo Hradiště, Strážnice, Jažlovice, Ondrášov, Stráž nad Ohří, Hanušovice, Litovel and Přerov), Slovakia (two plants - Rajecká Lesná, Kláštor pod Znievom), Poland (one plant - Zlotoklos), Slovenia (one plant - Radenci) and Croatia (one plant - Lipik).

The Group uses state-of-the-art, modern production equipment. Total CAPEX (excluding acquisitions, including lease addition) in the last 3 years amounted to CZK 2,061.0 million. The Group has also invested substantial amounts in equipment used in the HoReCa distribution channel, supporting further growth in this channel (kegs, fridges etc.). As a consequence, the Group's manufacturing facilities do not need major investments in the next few years. In addition, the Group has spare production capacities that allow, if necessary, quickly increase its production. Production lines are constructed by renowned producers such as Sidel, KHS and Kronnes. The Group has implemented modern management methodologies: WCM (World Class Management), SPC (Statistics Process Control) and TPM (Total Productive Maintenance).

In addition, the Group's production plants are used as main logistic centres for distribution. Distribution is realised partly by external logistic providers, but also by our own logistic company SANTA-TRANS s.r.o.

The Group's material assets are primarily production, distribution and storage facilities. Accordingly, the Group's material assets consist primarily of buildings, warehouses and other constructions, as well as real estate properties (plots of land) on which these constructions are located and machinery and equipment in these constructions (e.g. production lines).

Severe floods took place in September 2024. Most affected was production plant in Krnov, together with brewery locations Hanušovice and Litovel. All operations were fully running within a month after the flooding. The majority of the damages is covered by the insurance.

4. BUSINESS OVERVIEW AND OTHER MATTERS

4.6. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES AND THEIR CONDITION

The Group finances its operations by cash flows from its operating activities, long- and short-term loans and leases.

Additions of Property, plant, equipment (PPE) and Intangible assets (IA)*	2022	2023	2024
	CZK´000 000	CZK´000 000	CZK´000 000
Land	12.2	3.3	7.9
Buildings and constructions	64.6	73.0	121.0
Plant and equipment	278.6	206.7	319.9
Vehicles	31.9	47.2	173.7
Leasehold improvement	1.3	1.9	10.1
Returnable packages	65.4	34.4	74.8
Other non-current assets	0.1	0.6	26.0
Non-current assets under construction, Prepayments for PPE	41.2	103.4	259.8
Software	11.4	27.5	15.6
Trademarks and other rights	0.4	1.6	2.1
Intangible assets under development, Prepayments for IA	3.3	18.9	21.3
Total	**510.4**	**518.5**	**1,032.2**

* excluding acquisitions, including lease additions

Allocation of Property, plant, equipment and Intangible assets additions*	2022	2023	2024
	CZK´000 000	CZK´000 000	CZK´000 000
Czech Republic	334.0	337.0	761.1
Slovakia	88.9	83.8	109.1
Slovenia	60.7	54.6	100.2
Croatia	25.4	40.3	48.3
Poland	1.4	2.8	13.5
Total	**510.4**	**518.5**	**1,032.2**

* excluding acquisitions, including lease additions

Condition of Group's assets is in line with their useful life, they are subject to regular maintenance and replacement at the end of their useful life.

Future investments are expected to be on the similar level as in prior periods and will comprise mainly investments into the production, warehousing, vehicles and returnable packaging.

4.7. CAPITAL SOURCES

Group's activities are financed through various sources of capital as presented within the statement of financial position. Particular material balances are further described in part B and part C of this report. Bank credits and loans represent the significant source of finance to both Company and Group and payment schedules of already provided bank loans are dependent on Group's fulfilment of specified financial indicators (covenants).

4.8. REGULATORY ENVIRONMENT

The Group produces and distributes non-alcoholic and alcoholic beverages in many countries. As a consequence, the Group's operations are subject to the regulation of various legal systems. In particular, this refers to taxation (including VAT rates), labour law, social insurance regulations, matters relating to the granting of licences and permits, advertisement regulation, beverage industry regulations, etc.

Since the Company´s shares have been admitted to trading on the Prague Stock Exchange, the shareholders have certain disclosure requirements arising from the provisions of the Czech Capital Markets Act. The financial statements have to be prepared in line with International Financial Reporting Standards ("IFRS Accounting Standards") and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU.

The Company is also subject to supervision of relevant regulatory authorities (such as Czech National Bank). Moreover, the Company is subject to certain aspects of the European Union regulations.

The ESEF (European Single Electronic Format) Regulation requires that all issuers with securities listed on an EU regulated market prepare their annual financial reports in xHTML and mark-up the consolidated financial statements contained therein using XBRL tags and the iXBRL technology. However, the users will be still able to find also standard pdf format version of this Annual report on the Company's website https://investor.kofola.cz/en.

The Company is obliged to prepare also a non-financial report and remuneration report which is issued as a separate document and will be available for download on the above provided website link.

4.9. UKRAINE CRISIS

War in Ukraine brought 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 led to price increases which was perceived also by the Group. Increasing input prices do not, however, represent a threat to the Group's or Company'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).

4.10. SUBSEQUENT EVENTS

The Kofola Group has ended distribution of Rauch products and developed new own brand of fruit drinks and juices – Curiosa, which sells from January 2025. The management of the company does not expect any impact on revenue.

In January 2025, the Group has acquired a 100% stake in Krondorf a.s., a producer of mineral water.

In March 2025, the Group has acquired a 100% stake in VENDING, s.r.o., a sole shareholder of ASO VENDING s.r.o. In 2024, the Companies achieved a turnover of over EUR 18 million and an EBITDA indicator of over EUR 2 million. With an operation of approximately 8 thousand of vending machines, it is the largest operator of vending machines in Slovakia.

In March 2025, Kofola ČeskoSlovensko a.s. has purchased 26,844 pcs of its own shares (which represents 0.12% of the Company´s share capital) in the total value of CZK 11,677 thousand (CZK 435 per share) from RADENSKA d.o.o. The individual share price was determined based on the price quoted at Prague Stock Exchange. As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share. 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. Substantial majority of shares has been transferred to option scheme participants in March 2025.

In March 2025, Zahradní OLLA s.r.o. changed its name to Tuselie s.r.o.

In April 2025, the Group has acquired a 80% share in PRAGEROVA SKLIZEŇ s.r.o., a company that owns orchards in the Úsovsko region, which are adjacent to the orchards of the PRAGEROVY SADY LIBINA s.r.o. and which operate its own store.

4. BUSINESS OVERVIEW AND OTHER MATTERS

In 2025, expiration of the office term of all members of the Board of Directors was prolonged to 1 April 2030.

No other events have occurred after the end of the reporting period that would require disclosure in the Board of directors' report.

5. RISK MANAGEMENT

5.1. PRINCIPAL RISKS FACED BY THE GROUP

Activities of the Group companies, their financial position and financial performance are subject to and may in the future be subject to negative changes as a result of the occurrence of any of the risk factors described below. Occurrence of even some of these risk factors may have a materially adverse effect on the business, financial position and financial performance of the Company or the Group as a whole, and in consequence the trading price and liquidity of the shares may decline. The factors presented below represent the key risks. Most of those risk factors are of contingent nature and may or may not occur and the Company is not able to express its view on their probability of occurrence. The order in which they are presented is not an indication as to their significance, or probability of occurrence or of the potential impact on the Group. Other risks, factors and uncertainties than those described below, including also those which the Group is not currently aware of or which are considered to be minor, may also have an important negative impact on the Group's operations, financial position and financial performance in future.

Key risks are monitored. The Board is ultimately responsible for the effective risk management and internal control system. For these risks, preventive actions are taken to reduce their vulnerability and reduce their potential impact on the Group.

The Group operates on mature markets in a highly competitive industry

The Group operates mainly in the non-alcoholic beverages industry where the major part of its revenues come from, mainly in the Czech Republic, Slovakia, Slovenia and Croatia, which, apart from certain exceptions, are markets where the non-alcoholic beverages industry has been stagnant and where both multinational and local producers compete against each other by offering a wide range of products. This creates a risk of decreasing selling prices and/or a possibility of losing market share in the individual product categories or in the overall soft drinks market and may lead to a decrease in the Group's sales and could have an adverse effect on the Group's financial condition and the result of operations.

Key mitigations:

The Group protects itself against this type of risk primarily by building a strong brand loyalty of its end consumers and by introducing new products in the market. Additionally, the Group mitigates this risk by increasing the percentage share of sales in the HoReCa sector (that is less prone to promotions), as well as by promoting impulse products (with higher margins) or introducing new products, for which no aggressive pricing promotions have to be used (thanks to absence of competitors' products). The Group also eliminates this risk by investing into new businesses not dependent on the soft drinks' categories.

Changes in the shopping habits of end customers may have a negative impact on the Group's sales

In recent years, there have been changes in the shopping habits of end consumers. Retail discounter changed their behaviour and changed consumers' habits and very effectively made themselves a more attractive place to shop. This has redirected trading volumes to the fast-developing discount chains, which diminishes the significance of independent convenience stores. In addition, large retail chains tend to put pressure on prices and resist price increases. There is a risk of an inability to transfer increases in raw materials´ costs to end consumers. Due to Covid-19 pandemics there were changes in consumer behaviour, retail customers make less visits to shops but buy bigger volumes when there is a higher risk of getting the disease, also, digitalization trend is faster.

Key mitigations:

The companies from the Kofola Group try to minimise this risk by negotiations with major customers about price increases, adjusting its cost structure, implementing innovations leading to higher margins and by proper packing and sale channel tactics. The Group also invested into its own retail chain through UGO Freshbars & Saladbars. The Group entered a whole new distribution channel of Pharmacies via the company LEROS. The risk of changed consumer behaviour is mitigated by customized presentation on shelves, increased share of multipacks and volume discounts. The Group now operates its own e-shops and commenced its digital transformation.

Unfavourable changes in the prices of raw materials may have an adverse effect on the Group's financial result

Changes in the prices of raw materials may have an effect on the costs of raw materials purchased by the Group and, as a consequence, on the margins earned on the sale of products. In addition, the costs of production and the delivery of the Group's products depend to a certain extent on the prices of commodities such as fuel and electricity. This may have (and during the adverse development of macroeconomic situation already had) a material adverse effect on the Group's business, financial condition and the results of operations.

Key mitigations:

When it is effective, the Group's central purchasing department aims to sign mid-term contracts with the key suppliers, which helps to guarantee purchase prices. However, in the case of some commodities, agreeing a purchase price is only possible for relatively short terms. Therefore, the Group maintains multiple sources of supply with robust suppliers' strategy, selection, monitoring and management processes. The Group closely monitors and analyses the trends and prices of the key raw materials to understand the cost drivers. During the adverse macroeconomic development, the Group implements wide range of saving precautions (such as focusing on key activities, savings in marketing, energy consumption and many other areas, including personnel costs when it is unavoidable) as a response.

The Group may be exposed to product liability claims or product recalls

Intentional or unintentional product contamination or defectiveness may result in a loss of reputation of a brand or manufacturer which, in consequence, may adversely impact the sales of such a brand or, in extreme case, all products manufactured by that manufacturer in the particular market leading to a necessity to recall the products from the market. Moreover, product contamination or defectiveness may lead to personal injuries of end consumers and, as a consequence, liability claims against the Group. In addition, product liability claims could result in negative publicity that could materially affect the Group's sales.

Key mitigations:

The Group protects itself against this risk by performing detailed controls of raw materials, suppliers´ assurance and by regular controls of the production processes by Group´s laboratories. Product recall procedures are tested regularly.

The Group's operations are subject to various EU directives & Country regulations and unfavourable changes may have a negative impact on the Group's business

Unfavourable changes to the applicable laws and regulations may affect various aspects of the Group's operations and results and/or cause an increase in the costs of the Group. Future changes, or lack thereof – such as a potential decision by national government in the Czech Republic not to implement a deposit system for returnable PET bottles and cans may cause the Group to incur compliance costs, result in additional environmental challenges or otherwise negatively affect its operations.

Key mitigations:

These affect all companies in the sector and do not severely affect competition. The Group monitors the changes in legal regulations and adapts to them in advance. Group works closely with external advisors and trade and industry associations regarding current and future legislation changes with impact upon the business and is an active member of various legislation processes as commenting authority.

Failure of IT systems could materially affect the Group's business

The Group relies on IT systems for a variety of functions. Despite the implementation of security and back-up measures, the IT systems used by the Group may be vulnerable to physical or electronic intrusions, computer viruses, hacker attacks and/or other disruptions.

Key mitigations:

The Group protects against this type of risk by establishing back data centre, daily backups, disks in mirroring and continued articulation and implementation of information security policies. Disaster recovery plans are tested on regular basis. Central IT governance and decision-making process exists for system changes. IT security standards are closely monitored to protect systems and information.

Failure of implementation of new ERP system

The Group uses SAP as its main ERP system which is undergoing the major update. Many unexpected situations may happen during this process and as a result, there may be disruptions in data consistency or unplanned system downtime that may affect production and supply chain processes, which may result in non-deliveries to the customer.

Key mitigations:

The Group has established a senior project implementation team that closely cooperates with the responsible people from particular departments. Selected external supplier is a sound partner which has sufficient experience. Both new and current version are going to work simultaneously until the Group has sufficient confidence that all necessary steps were taken, all data were transferred appropriately and all areas are functioning as intended. The Group has chosen a conservative migration approach, including a comfortable timeline to allow for proper testing of all critical features.

Cyber security risks

With the increasing digitalization, there can be an increased frequency of cyber-attacks that may lead to difficulties of system operations or thefts of the Group's resources.

Key mitigations:

Our IT department closely monitors the situation on the daily basis and executes necessary steps to continue in its sufficient regular SW updates, employee trainings and other ways of mitigation that ensure sufficient defence of Group's data and systems.

Continued growth of the Group depends, in part, on its ability to identify, acquire and integrate businesses, brands and/or products

If the Group is unable to identify and acquire businesses, brands or products to support its growth in accordance with its strategy, or if the Group is unable to successfully integrate acquisitions, or if a failure by the acquired company to comply with the law or to administer good business practice and policies prior to an acquisition has a material adverse effect on the value of such an acquired company, the Group may not be able to obtain the advantages that the acquisitions were intended to create.

Key mitigations:

The Group has a solid acquisition strategy and limits this risk by continued monitoring of progress against the integration plan, including frequent and regular tracking of key performance indicators and senior leadership involved in monitoring progress and in making key decisions. The Group has a track of successful acquisitions within the last years and cooperates with advisors on a long-term basis which gives them good knowledge about sectors where the Group operates. Additionally, proven integration processes, procedures and practices are applied to ensure delivery of expected returns.

The Group is exposed to the risk of currency exchange fluctuations and interest rate risk

More than half of the raw materials (mostly sugar) used by the Group for production are purchased in EUR or in local currencies but with the pricing derived from EUR. Significant share of Group's income is denominated in local currencies other than EUR. Therefore, the results of the Group are subject to fluctuations in the foreign exchange rates of EUR against the local currencies. The Group might not be able to mitigate all the currency risks, in particular over longer periods. Additionally, the Group uses external financing facilities to finance its long-term assets and working capital needs. More than half of those facilities are denominated in EUR. Most of the EUR part is hedged against fluctuations in interest rates, however remaining part denominated in CZK is at variable interest rates based on PRIBOR. As a consequence, the Group is also exposed to the risk of negative interest rate fluctuations.

Key mitigations:

The Group closely monitors its results and cash flows to ensure sufficient amount of money necessary for its business activities in both short and long-term. To limit the exposure to adverse movements in interest rates, the Group concluded interest rate swaps for selected bank debts with longest maturity.

The Group is exposed to the liquidity risk

The Group generates sufficient financial resources to be able to finance its standard daily operations, capital expenditures, loan repayments and dividends. It however sometimes needs also external resources to finance bigger and one-off expenditures like acquisitions of subsidiaries. As a result, it is subject to risk of inability to obtain such resources from banks and other external parties. Payment schedules of already provided bank loans are dependent on Group's fulfilment of specified financial indicators (covenants) and in case of breach of these covenants the financing bank can request earlier repayment of provided loans.

Key mitigations:

The Group closely monitors its business results and cash flows and on regular basis prepares both short and long-term financial projections to prevent any liquidity issues or breach of covenants. The Group has also available undrawn credit line in case of need of extra ad hoc financing.

Ongoing legal proceedings regarding the denationalisation of Radenska

There are pending denationalisation proceedings with respect to denationalisation claims of the legal successors of the former owners of RADENSKA. The legal outcome of these proceedings remains unclear and uncertain.

Key mitigations:

RADENSKA intensively defends against any claims of former owners. Current situation is described in section B.4.23.

The Group is exposed to sugar tax

In Croatia a change to the current sugar tax system was introduced in 2020 and in Slovakia it will be effective as of January 2025. A national discussion about sugar tax started also in the Czech Republic. There is a risk that the Group is not able to pass these costs to end customers.

Key mitigations:

The sugar tax will be implied in Slovakia starting January 2025. The Group continuously reformulates the products to have lower sugar content as well as focuses on water based soft drinks and in case of key products, the Group have changed the recipes using fruit juice. The Group opened new categories through acquisitions – such as tea & coffee – outside the traditional soft drinks business, that are not subjects to sugar tax. We have also spread our Waters portfolio through the acquisition of ONDRÁŠOVKA and Karlovarská Korunní in 2020.

The Group is not able to pass costs of PET bottles deposit system to end customers

In Slovakia, PET and aluminium bottles deposit system started in 2022. There is a risk that part of the cost will be carried by producers and the Group is not able to pass these costs to end customers.

Key mitigations:

The Group was an active member of the implementation group in Slovakia. Since the initial application, there are not any material adverse effect on consumers' demand.

The Group will be negatively affected by the anti-plastic trend

The world as we know it today is changing. Environmental pollution is being discussed on all levels and climate change is rather a fact than an ecological fiction. One of the negative symbols of this movement is plastic material. Because the Group uses a lot of plastic material in various formats (PET bottles), it may be strongly affected not only by regulations but also by a change in consumer behaviour.

Key mitigations:

The Group is monitoring and thoroughly analysing all movements and is deeply immersed into this matter. The Group believes, that plastic is very relevant material and, in some cases, there is no better solution at this moment with the biggest share of recycled PET as possible. The Group is an active member in industrial activities educating consumers and a member of the Association for the deposit system for PET and cans in the Czech Republic.

At the same time, the Group is taking progressive steps to reduce the volume of new plastic packaging, for example by using recycled rPET materials. The Group's management has also decided to support the introduction of deposit system for returnable PET bottles, which it considers to be the best solution in this area. This will help to sort out more used bottles. Most importantly, it will close the PET bottle management system. The used packaging will be turned into new packaging. In Slovakia, the system has already been in place since the beginning of 2022. In the Czech Republic, the discussion about introducing the system was opened two years ago thanks to the Initiative for deposit system, of which Kofola is an active founding member. The Group signed an agreement on the purchase of one third of the shares in General Plastic, a.s., a producer of hot-washed PET flakes and PET preforms in Slovakia, for the production of which it uses recycled PET bottles.

Nevertheless, The Group also focuses on other packaging formats to be in line with the anti-plastic trend, such as drafted products, syrups and returnable glass bottles (as supported by our Cirkulka project that brings a returnable glass back to Retail). The Group also invests into non-plastic businesses – tea & coffee segment.

The Group will deal with water pollution

Water pollution is one of the key topics of today. Agriculture is using chemical fertilizers and pesticides, that negatively affect water sources and there is a risk that in a decade most of the surface water and some of the spring waters will no longer meet the limits for drinking water.

Key mitigations:

The Group is actively cooperating with the state authorities and agricultural segment, so that our spring water sources will not be affected. We believe that our sources are in well preserved localities so that we can protect them effectively. To protect its water resources in the future, the Group has launched a project to create certified BIO localities around its production plants. The first such locality was created close to the Rajecká Lesná plant, the second near Moravský Beroun and Ondrášov. The BIO certified localities are being created in cooperation with local farmers and local authorities.

The Group carries higher costs due to lack of water

There is risk of draughts leading to higher costs from water consumption.

Key mitigations:

The Group mitigates the risk by building own water wells and takes deep care of current water sources it manages.

The Group faces a risk of significant operational disruption and financial losses due to potential floods

Extreme weather events, particularly heavy rainfall and river overflows in regions where the Group operates production facilities or relies on critical infrastructure, pose a threat of inundation. This could lead to temporary or prolonged shutdowns of production, damage to property and equipment, increased transportation costs, and disruptions in the supply chain, ultimately impacting the Group's profitability and ability to meet customer demand.

Key mitigations:

The Group mitigates the risk by implementing flood protection measures at key facilities helping to minimize potential damage. The Group develops continuity plans which ensure swift and effective responses to such events, focusing on alternative operational procedures and potential relocation options to minimize downtime. Given the high level of uncertainty among climate factors, monitoring of risks is an ongoing process that considers changes in external conditions and scenario assumptions. The Kofola Group's business model is also geographically diversified.

The Group carries higher costs due to public pressure on environmental projects

Because climate change and environmental issues are now very trendy and there is significant demand from customers and consumers, the Group might be forced to proceed with some ecological measures to remain competitive. Implementation of this policy is rather expensive with a longer payback period.

Key mitigations:

The Group monitors the market and tries to proactively apply steps, that are easy to proceed with high impact on the environment. In general, we closely focus on the ratio between effectiveness and financial demands so that the outcome of our projects is both cost effective and environmentally friendly. It is an integral part of our CAPEX policy to have all new projects validated through the eco-friendly criteria. We also work on educating our consumers to better understand our perspective.

Climate related matters have no material impact on the cash flow projections or discount rates used in the Group's tests on recoverable values of non-current assets.

There will be no sustainably grown ingredients to meet demanding consumer expectations

With the Group´s approach to deliver to consumers best quality products from authentic ingredients, it could happen that there will be no ingredients of such quality or that their price will be tremendously unaffordable. There is also possible rise of costs for laboratories for quality tests.

Key mitigations:

The Group´s quality standards are already above legal requirements. The Group has started to cooperate with local farmers, local authorities and other stakeholders to produce authentic ingredients for affordable price and to build good, valuable and healthy relationships that all parts can benefit from. This cooperation brings added value to all parts of the supply chain and is real example of circular economy. The Group also cooperates intensively with testing institutes and cooperates with proven suppliers with quality certificates.

Changes in end consumer preferences may have a negative impact on the Group's sales

End consumer preferences, tastes and behaviours are evolving over time. If the Group does not successfully anticipate these changing end consumer preferences or fails to address them by swiftly developing new products or product extensions through innovation, the Group's sales could be negatively affected.

Key mitigations:

The Group diversifies this risk through acquisitions, that are organic part of its strategy to have a wide range of products, not only on the soft drinks market, but also in the field of tea & coffee or newly also beers. In the soft drinks sector, the Group offers a broad range of products with different flavours and in various packaging formats which offers a choice to the end consumer. The Group closely monitors consumer trends in order to anticipate changes in preferences and offers diversified portfolio of its products. The Group regularly develops its products to be able to meet consumer needs.

The Group may be negatively affected by the anti-sugar movement

One of the social issues of today is definitely, whether soft drinks as such could be an integral part of healthy lifestyle. There are very strong movements against the intake of sugar. Non-alcoholic beverages are named as one of the significant donors to the rise in obesity of population. The soft drinks companies are blamed for influencing researches about the correlation between soft-drinks drinking and obesity.

This might lead to negative social image of the Group´s products as well as legal restrictions, which could mean a significant drop in the sale of soft drinks with added sugars.

Key mitigations:

The Group takes this issue very seriously and proactively self-regulates itself to prevent official regulations. The Group has all various beverages in its portfolio – from no sugar to soft-drinks with 12g of sugar in 100ml. Our key brand is Kofola, that has 30% less sugar than average cola beverage. Where it is possible and where it makes sense, we reformulate the amount of sugar (Kofola has in prior year reduced the amount of sugar in its flavoured variants by 30 %) or add sugar-free variants (Kofola, Royal Crown Cola). We offer a wide range of water-based products and also focus on small packaging, that means smaller amount of sugar in one portion. We do not support or initiate any study proving that drinking soft drinks does not affect obesity because we believe, that any drink can be part of healthy lifestyle if drunk in a moderate way. The Group supports many events with physical activity (running, cycling) especially in connection to its spring/mineral water brands (Rajec, Radenska, Studena).

The Group may be negatively affected by sales regulations of specific product groups

There are attempts on national, but also on the EU level to regulate the sale of specific product ranges of drinks to children or teenagers, especially energy drinks or other soft drinks that contain caffeine or high amount of added sugar. There is also a trend to prohibit the sale of these products in schools. The risk of implementing such regulations on some markets is not negligible.

Key mitigations:

The Group closely monitors this issue especially through its memberships in various professional organisations. As a responsible producer, we also naturally self-regulate our operations in this matter. We do not promote soft-drinks with higher amount of added sugar (above 4g/100ml) or caffeine to children in any of our markets and we do not sell them in schools in shops or vending machines. The regulation of sale of soft drinks with higher than 5g/100ml sugar content was already implemented in Czechia and the Group´s sales of restricted product groups were not affected by this law. We never promote drinking energy drinks with alcohol. If any regulation of the sale of drinks steps into force, the Group is not likely to be affected because according to its strategy of comprehend portfolio, it has a wide range of drinks that comply with above mentioned regulations. However, we are certain that there is no regulation needed and we proactively act and cooperate with state authorities to prevent any restrictions taking place.

There will be new restrictions in the use of preservatives

European Food Safety Authority (EFSA) is re-evaluating the current recommended daily amount of harmless preservatives intake and there is a reasonable assumption that there might be further restriction in the use of preservatives in beverages that might affect the Group´s beverages recipes.

Key mitigations:

It is in the Group´s strategy to limit the use of preservatives to technological minimum. The Group only cooperates with proven suppliers to have good quality raw materials with detailed content sheet. Since 2010, the Group has invested a significant amount of money into technologies to produce soft drinks without preservatives (i.e. hot fill, pascalization and aseptic line). Nevertheless, the number of used conservatives in the Group´s products, where it is not at the moment technologically possible to produce without preservatives, is in minimal amounts far from recommended daily maximum intake, so that it will not be affected by reasonable tightening of the limits.

The Group may be unable to attract, retain and motivate qualified personnel (employment issue)

The Group's future success will also depend on its continuing ability to attract, retain and motivate highly qualified sales, production, technical, customer support, financial, accounting, marketing, promotional and managerial personnel. The Group may be unable to retain or attract the necessary personnel.

Key mitigations:

The Group limits this risk by sustaining a strong culture of accountability, empowerment, benefit scheme and personal development as well as by building the Group's leadership talent pipeline through strategic people resourcing. The Group continuously tracks the conditions within but also outside the company on the labour market and acts promptly according to the situation. The Group structures its compensation packages in a manner consistent with the market standard. The Group regularly optimizes the systemisation of jobs and also works on robotization and automation of activities.

The Group faces growing personal costs

Because of still very low unemployment rate and high inflation, the Group may be facing pressure on rising personal costs.

Key mitigations:

The Group works on this matter very deeply. The Group implemented segmented reward system as well as individual approach to wages based on employee's role and competence, without flat levelling. The Group invests into labour market data and works with those intensively to carefully benchmark itself with the labour market.

The Group may deal with cultural and multi-age differences in the employee's structure

The employees cultural and age diversity could lead to various problems, that could lead to higher fluctuation and lower employee satisfaction, which could cause lower productivity of the Group.

Key mitigations:

In all countries and companies that belong to the Group, we try to be as local as possible with respect to local culture and environment. We support the diversity and healthy self-confidence of our employees. We have and cherish our open multicultural (especially in the Adriatic region) and age diversive environment that does not limit or discriminate individuals by gender, age, race, or any handicap. We take care of the individual's life and personal situation and the needs of our employees. We seek for talents in our employees and push them forward. We support internal promotions and career changes of our employees, especially with expats programme, management positions replacements, new projects and acquisitions, where we fully rely on our well experienced staff. We are developing our people individually through programs and activities.

Employees of the Group may face discrimination or corruption

There might be some discrimination acts in the workplace or some employees might be corrupted and act against the Group.

Key mitigations:

The Group believes in its own people. In the unlikely event of discrimination, all employees are informed who to turn to. We have an open-door policy in this matter. All employees can refer to any member of management with any request and they will be treated with respect and nothing is forgotten or left unsolved. We also have a very strict policy regarding not accepting bribes or other special benefits by our employees. When selecting business partners, we follow procurement policy, when there are always at least two members of our staff and we do not favour anyone and decide honestly and transparently according to predetermined factors and rules. All money transfers are carefully monitored and need to be multi-stage approved. All our employees need to go through various trainings and are repeatedly informed about above mentioned.

Ukraine crisis

Refer to section B.4.30.

5.2. APPROACH TO MARKET TRENDS AND DEVELOPMENT

The following part summarizes the main market trends identified by the Group and the steps the Group takes as a response to these trends.

Healthy food and beverages

- gradual conversion of products to preservative-free, healthy innovations,
- promotion of healthy life style,
- reformulation – process of changing the sugar content of a product (Flavoured Kofola LessMore has 30% less sugar, Royal Crown Cola without sugar),
- more healthy beverages (water, children's beverages) with lower sugar content compared to other competitors and beverages with herbs and tree extracts (UGO juices, Rajec flavoured, fresh drinks),
- drinks with stevia (natural sweetener - without calories) - Kofola bez cukru (Sugar free), Jupík with stevia,
- hot filling and aseptic line allowing the new products without preservatives (for example: high fruit content drinks, functional drinks),
- use of high-pressure technology (pascalisation) - all nutritional values of fruit and vegetables in our 100% juices are retained,
- water category and small packaging focus to naturally eliminate sugar intake for consumers,
- nutritionally rich products,
- presence in segment of herbs, tea & coffee mixtures and use of own herbs from certified BIO localities near the plants.

Environmental protection

- carbon footprint elimination (green energy, CNG trucks, CO_{2e} offset project), towards carbon neutrality in 2030,
- water sources protection,
- energy saving policies,
- afforestation,
- cooperation with suppliers, especially local farmers,
- 100% recyclability and biodegradability of packaging and Eco modulation,
- support for a deposit system for returnable PET bottles and cans,
- packaging elimination (drafted products, syrup category focus, big volume packaging, reusable returnable packaging),
- green offices and operations policy application,
- returnable glass in Retail ("Cirkulka" project),
- single use packaging elimination,
- project Neleníme, zeleníme, which supports HoReCa partners in realization of sustainable solutions.

Agriculture and local support

- own herbs,
- purchase of apple orchards,
- co-ownership of coffee plantations.

Increasing amount of outdoor activities

- focus on impulse products (portfolio enhancement),
- development of the impulse channels,
- development of cooperation with hotels, restaurants and cafés (HoReCa),
- entrance to the impulse market (kiosks, vending machines, gyms, schools, work places etc.),
- increasing share of small formats in the product portfolio (most of the new formats are up to 0.5 litre),
- increasing number of supplied restaurants (direct distribution in Slovakia since 2009, in the Czech Republic since 2014),
- dedicated sales team for HoReCa clients in the Czech Republic.

Consolidation of retail and drift of volume to retail trade channel

- strengthening brands to be more important for retailers,

- focus on terms and conditions with retailers,
- proper pack/channel tactics,
- operational excellence,
- opening own retail chain of UGO Freshbars & Saladbars,
- e-commerce focus,
- entering market of pharmacies via LEROS.

Globalisation and growing individualism

- rollout of successful brands to other markets where the Group companies operate,
- purchasing and/or creation of brands with functional/emotional features,
- using production/distribution licenses, introduction of global brands (Orangina, Royal Crown Cola, Evian, Pepsi),
- engaging the customers in the promotion of positive emotions related to the Group's brands.

6. CORPORATE GOVERNANCE REPORT

6.1. SHARES AND SHAREHOLDERS

6.1.1 SHARE CAPITAL

As at 31 December 2024, the registered share capital of Kofola ČeskoSlovensko a.s. totalled CZK 1,114,597,400 (as at 31 December 2023: CZK 1,114,597,400) and comprised 22,291,948 (as at 31 December 2023: 22,291,948) common registered shares with a nominal value of CZK 50 (as at 31 December 2023: 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 in October 2015.

The General Meeting of Kofola ČeskoSlovensko a.s held on 28 June 2024 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand (CZK 286,601 thousand in the Group financial statements due to shares owned by RADENSKA).

The Board of Directors of Kofola ČeskoSlovensko a.s has decided on the payment of a dividend advance of CZK 7.5 per share on 8 October 2024.

The General Meeting held outside of the meeting during 4 – 19 September 2023 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand (CZK 286,601 thousand in the Group financial statements due to shares owned by RADENSKA).

6.1.2 SHAREHOLDERS STRUCTURE

The Company was part of the group controlled by AETOS a.s. („Group“) till 19 August 2024. On 19 August 2024, AETOS a.s. and its shareholders have initiated steps to restructure the ownership structure of the Group, which includes Kofola ČeskoSlovensko a.s. The aim of these steps was to ensure succession and the management of family assets for the next generation through a family foundation named FILÍA Foundation. Lykos alfa a.s. acquired the assets and liabilities of AETOS a.s. on 19 August 2024 and thus become the majority shareholder of Kofola ČeskoSlovensko a.s. The shareholders structure of Lykos alfa a.s. and AETOS a.s. are identical. Regarding Kofola ČeskoSlovensko a.s., this restructuring does not represent a change, as the majority of voting rights in Kofola ČeskoSlovensko a.s. remained under the control of the current shareholders of AETOS a.s. Actually, there was no change in shareholders of Lykos alfa compared to shareholders of Aetos. This means that there was no change in the ownership or control of Kofola ČeskoSlovensko a.s., nor any other changes that could affect Kofola ČeskoSlovensko a.s.

Share capital structure		31.12.2024			31.12.2023	
Name of entity	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
Lykos alfa a.s.*	14,984,204	67.22	70.46	-	-	-
RADENSKA d.o.o.	1,025,239	4.60	0.00	1,062,236	4.77	0.00
Others	6,282,505	28.18	29.54	6,245,508	28.01	29.42
Total	**22,291,948**	**100.00**	**100.00**	**22,291,948**	**100.00**	**100.00**

* The change in shareholder structure is described in note 6.1.

6.1.3 FOR TRANSACTIONS WITH SHARES REFER TO SECTION EQUITY IN THE CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS. RIGHTS ATTACHED TO THE SHARES

Each share in the Company ranks pari passu in all respects with all other shares. The same rights are incorporated into all the Company's shares including the right to attend the General Meeting, to require and receive explanations of matters concerning the Company that are part of the agenda of the General Meeting, to submit proposals and counterproposals, and to receive a dividend and share in the liquidation surplus. In compliance with the relevant legal provisions, the voting rights attached to the shares owned by RADENSKA d.o.o. cannot be exercised. The Company does not own its own shares.

The rights attached to the shares arise from the provisions of Czech Companies Act and Company´s Articles of Association. The Company duly complied with the obligation to register its beneficial owners.

Since the Company´s shares have been admitted to trading on the Prague Stock Exchange, the shareholders have certain disclosure requirements arising from the provisions of the Czech Capital Markets Act.

The Company didn't issue any convertible or other shares of similar kind. Company has only concluded a program for long-term remuneration of senior managers of the Group, as described in the section 7.2 (k).

6. CORPORATE GOVERNANCE REPORT

6.1.4 SHARES IN POSSESSION OF PERSONS WITH EXECUTIVE AUTHORITY

Shares in possession of persons with executive authority	31.12.2024
	pcs
Members of the Board of Directors	15,085,185
Members of the Supervisory Board	-
Option scheme program's participants	138,608
Persons related to those with executive authority (Board of Directos, Supervisory Board)	-
Total	**15,196,793**

6.1.5 DIVIDEND POLICY

In June 2024, the Board of Directors of the Company approved the Company's dividend policy for the periods of 2024 and 2025. 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. This dividend policy was announced at the General Meeting on 28 June 2024.

The actual amounts of dividends for 2024 and 2023 are described in section B.1.5.

6.2. INFORMATION PURSUANT TO CAPITAL MARKETS ACT SECTION 118.5A-K

(a) Figures and information about the structure of the equity

The equity structure is as follows:

Equity structure	31.12.2024
	CZK´000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	**1,690,641**
Share capital	1,114,597
Share premium and capital reorganisation reserve	(1,962,871)
Other reserves	2,663,179
Foreign currency translation reserve	15,070
Own shares	(451,115)
Retained earnings/(Accumulated deficit)	311,781
Equity attributable to non-controlling interests	**333,367**
Total equity	**2,024,008**

As at 31 December 2024, the share capital of Kofola ČeskoSlovensko a.s. totalled CZK 1,114,597,400 and comprised 22,291,948 common registered shares with a nominal value of 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.

The Company has purchased 36,997 own shares (treasury shares) in 2024 to be used in the management incentive programme from RADENSKA d.o.o.

As at 31 December 2024 the Company held 27 treasury shares. RADENSKA d.o.o. as at 31 December 2024 owned 1,025,239 shares of the Company (which represented 4.6% of the Company´s share capital as at 31 December 2024) in total value as at 31 December 2024 of CZK 467,382 thousand. The shares were purchased by RADENSKA d.o.o. in a public tender offer on the stock market mainly from CED GROUP S.à r.l. for the total value of CZK 490,208 thousand (CZK 440 per share). Nominal value of shares owned by RADENSKA d.o.o as at 31 December 2024 was CZK 51 262 thousand.

Part of the shares owned by RADENSKA is intended for the management incentive programme. RADENSKA is considering the sale of its whole share (1,025,239 shares as of 31 December 2024). A decision of exact timing of such sale has not been taken yet, however, might occur shortly, subject to market conditions. Proceeds from the sale will be used to finance Group's growth opportunities.

In compliance with the relevant legal provisions, the voting rights attached to the treasury shares and shares owned by RADENSKA d.o.o. cannot be exercised.

(b) Information about limitations on the transferability of securities

The shares issued by the Company are transferable without any restrictions pursuant to Article 5 par. 5.3 of the Company´s Articles of Association.

(c) Figures and information about significant direct and indirect participation in the Company´s voting rights

Significant shareholders as at 31 December 2024:

Significant shareholders (all with direct participation)	Proportion of the voting rights	Participation percentage
Lykos alfa a.s.*, Železnobrodská 194/17, 747 06 Chvalíkovice, registration No. 218 15 852	70.46%	67.22%
RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o., Boračeva 37, 9252 Radenci, Republic of Slovenia, registration No. 5056152000	0.00%	4.60%
Total	**70.46%**	**71.99%**

* The change in shareholder structure is described in note 6.1.

Significant shareholders as at 31 December 2023:

Significant shareholders (all with direct participation)	Proportion of the voting rights	Participation percentage
AETOS a.s.*, Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, registration No. 06167446	70.58%	67.22%
RADENSKA, družba za polnitev mineralnih voda in brezalkoholnih pijač, d.o.o., Boračeva 37, 9252 Radenci, Republic of Slovenia, registration No. 5056152000	0.00%	4.77%
Total	**70.58%**	**71.99%**

* The change in shareholder structure is described in note 6.1.

The above-mentioned entities dispose of the rights of the qualified shareholders arising from Section 365 and foll. of the Act No. 90/2012 Coll., Business Corporations Act, especially of the right to request convocation of the General Meeting of the Company for discussion of the items proposed by them, request inclusion of the item determined by them on the agenda of the General Meeting, request the Supervisory Board to review the exercise of powers by the Board of Directors in the matter specified in the request as well as file a shareholder action on behalf of the Company.

The structure of the significant direct participation in the voting rights of the Company as at 31 December 2024 is known to the Company only in the case of the controlling entity Lykos alfa a.s. and the controlled company RADENSKA d.o.o. and is described within the Report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the year 2024. As for the other entities, their direct and indirect participation and shares in their possession are based on the notification delivered to the Czech National Bank. There were no notifications submitted from 1 January 2024 up to the date of this report.

Until the end of the year 2024 and throughout the year 2024 (until the cut-off date of the Annual report), the Company has not been informed about any other change of participation in the voting rights that would have met the legislative limits for the reporting.

Except for the above mentioned natural and legal persons, the Company is not aware of any other significant direct and indirect participation in the Company´s voting rights or of any Company´s shareholders whose participation in the Company´s voting rights reached at least 3%.

The controlled company RADENSKA is entitled to exercise rights of the qualified shareholder but not the voting rights attached to the shares of the Company.

(d) Information about the owners of securities with special rights, including the description of such rights

There are not any special rights attached to the securities issued by the Company.

(e) Information about limitations on voting rights

The voting rights attached to the Company´s shares may only be limited or excluded where stipulated by law. According to the legal provisions, the voting rights attached to the 1,025,239 shares owned by the controlled company RADENSKA and the 27 treasury shares owned by the Company cannot be exercised. A limitation results from the Act. No. 37/2021 Coll., on the register of beneficial owners. Shareholders – legal entities having registered office in the Czech Republic who do not have their beneficial owner registered in the register of beneficial owners cannot exercise their voting right. The Company is not aware of any other restrictions on or exclusions of the voting rights attached to the shares issued by the Company.

(f) Information about agreements between the shareholders that may reduce the transferability of shares or the transferability of the voting rights, if known to the issuer

The Company is not aware of any agreements between the shareholders of the Company that may reduce the transferability of shares of the Company or of the voting rights attached to the shares of the Company.

(g) Information about special rules regulating election and recalling of members of the statutory body and changes to the Articles of Association of the issuer

The statutory body of the Company is six-member Board of Directors. The members of the Board of Directors are elected and recalled pursuant to Article 15 par. 15.5 of the Article of Association of the Company by the Supervisory Board. The Supervisory Board of the Company has 5 members. The Supervisory Board has the quorum if majority of its members is present or otherwise takes part in a meeting. The Supervisory Board takes a decision by a majority of votes of present or otherwise participating members. In case of equality of votes the vote of a chairman of the Supervisory Board is decisive. The Supervisory Board may also take decisions per rollam (outside the meeting).

Approval by a majority of at least two thirds of the votes of the shareholders present at the General Meeting is required to adopt a decision amending the Articles of Association of the Company. The General Meeting has the quorum if the shareholders present hold shares with the par value exceeding 50% of the share capital of the Company. No amendments to the Articles of Association of the Company relating to the Company's corporate bodies has been adopted in 2024.

Any special rules regulating election and recalling of the members of the Board of Directors of the Company and amendments and changes to the Articles of Association of the Company don´t apply.

(h) Information about special powers of the statutory body pursuant to the Business Corporations Act

The members of the Board of Directors of the Company do not hold any special powers. The Board of Directors takes decisions on all Company matters unless they are reserved for the General Meeting, Supervisory Board or other Company´s body.

(i) Information about significant agreements to which the issuer is a party and which will become effective, change or cease to exist in the event of a change of control of the issuer as a result of a take-over bid, and about the effects arising from such agreements, with the exception of agreements whose disclosure would cause harm to the issuer

The Company has not entered into any significant agreement that will become effective, change or cease to exist in the event of a change of control of the Company as a result of a take-over bid.

(j) Information about agreements between the issuer and the members of its statutory body or employees that bind the issuer to take on any commitments in the event of the termination of their offices or employment in connection with a take-over bid

The Company has not entered into any agreement with the members of the Board of Directors that bind the Company to take on any commitments in the event of the termination of their offices in connection with a take-over bid.

The Company has not entered into any agreement with any employee that bind the Company to take on any commitments in the event of the termination of its employment in connection with a take-over bid.

(k) Information on the systems of control of a scheme under which members of the statutory body or the employees of the Company may acquire participating securities of the Company, options concerning such securities or any other rights related to these securities if they do not exercise those right themselves

The scheme (Share based payment Plan) under which the members of the statutory body and the employees of the Company may acquire participating securities of the Company is reviewed and approved by the Supervisory Board of the Company.

Pursuant to Section 121m of the Capital Market Undertakings Act the Company may pay remuneration, inter alia, to members of the statutory body of the Company or their direct subordinate employees only in accordance with the approved remuneration policy. Approval of the remuneration policy falls within the authority of the General Meeting of the Company.

On 23 April 2021, the Supervisory Board of the Company approved the Share based payment Plan for 2021-2026. The Share based payment Plan enhances the dependence of the eligibility to Kofola shares on the profit of the Kofola Group. Based on the approved Share based payment Plan, the statutory body prepared an amendment to the remuneration policy incorporating the remuneration in the form of shares (approved Share based payment Plan) which was presented to the shareholders for their approval at the General Meeting which was held on 28 June 2021. Amended remuneration policy was approved by the General Meeting under para 8 of the agenda.

Under the obligations arising from the Capital Market Undertakings Act the Company must establish a report on remuneration of the members of the bodies of the Company and submit it to the General Meeting. The report must be submitted to the General Meeting of the Company for its approval. The report gives a full account of remuneration including all benefits in any form granted to the members of bodies of the Company (incl. shares). The remuneration report for 2023 was approved by the General Meeting on 28 June 2024.

The remuneration policy as well as all the remuneration reports are available on the Company´s website https://investor.kofola.cz/en.

Share based payment program is described in sections B.3.5.14, B.4.21, C.3.4.15 and C.4.21.

6.3. CORPORATE GOVERNANCE CODE

Czech Corporate Governance

The Company is listed on the Prague Stock Exchange ("PSE"). In the Czech Republic, the Company is required to submit to the PSE a declaration on the code of corporate governance stating that the issuer willingly or voluntarily complies with the same form as is a part of the Company´s annual report. However, due to the fact that there was no binding corporate governance regime in the Czech Republic, which the Company had to comply with, the Company, as at the date of the annual financial report, did not commit to comply with any specific corporate governance regime in the Czech Republic.

Nevertheless, the Company and the companies within the Group are firmly committed to maintaining an effective framework for the control and management of the Group's business. The Company puts much emphasis on respecting all statutory rights of shareholders, including the equal treatment of shareholders in a similar position. The Company strictly adheres to the principle of disclosure and transparency not only in relation to convening a General Meeting but also in relation to informing of corporate events, including financial results and relations with related parties. The members of the bodies of the Company regularly attend the General Meetings of the Company and are available to the shareholders during teleconferences. The Company follows in particular the Business Corporations Act, the Civil Code, the Corporate Criminal Liability Act and the Capital Market Undertakings Act.

Information about policies and procedures, internal controls and the rules of the risks in relation to the accounting process is contained in section 6.6.

6.4. BODIES OF THE COMPANY

Kofola ČeskoSlovensko a.s. had the following bodies in 2024:

- General Meeting,
- Board of Directors,
- Supervisory Board,
- Audit Committee.

6.4.1 GENERAL MEETING

Overall information

The General Meeting is the supreme body of the Company. The General Meeting is, according to the Articles of Association, authorised to:

- decide on changes of the Articles of Association, unless it is a change which occurred as a result of an increase in the registered capital by the authorised Board of Directors or a change which occurred as a result of other legal facts,
- adopt Procedural Rules of the General Meeting, if the Company desires to provide more details on the course of a General Meeting of the Company besides the rules stipulated by the law or the Articles of Association,
- elect and recall members of the Supervisory Board and approve their agreement on performance of office including their remuneration,
- appoint and recall a liquidator and approve its agreement on the performance of office including its remuneration,
- approve a transfer, lease or pledge of the Company's enterprise or such a part thereof that would imply a significant change of the existing structure of the enterprise or a significant change of the scope of business or activity of the Company,
- decide on matters which are submitted by the Board of Directors to the General Meeting to be resolved by the General Meeting,
- grant instructions to the Board of Directors and Supervisory Board and approve the operating principles of the Board of Directors and the Supervisory Board, provided that these are not contrary to the law; the General Meeting may also prohibit a member of the Board of Directors and Supervisory Board from taking certain actions, if such a prohibition is in the interest of the Company,

- decide on the distribution of profit, including the distribution of dividends, or of other own sources, or decide on the settlement of loss,
- approve the Company's auditor,
- approve the remuneration policy and the reports on remuneration under the Capital Market Undertakings Act;
- approve significant transaction under Section 121s et. Seq. of the Capital Market Undertakings Act; and
- decide on any other issues falling under the powers of the General Meeting by virtue of the Czech Companies Act or the Articles of Association.

The General Meeting must be held at least once in a financial year of the Company, no later than six months from the last day of the previous financial year at the request of the Board of Directors (or, in exceptional cases, also at the request of a member of the Board of Directors, of a qualified shareholder, or at the request of the Supervisory Board).

The General Meeting is to be convened at least 30 days (if the General Meeting is not requested by a qualified shareholder or if the General Meeting is not requested as a substitute General Meeting) before the General Meeting, by publishing an invitation to the General Meeting on the Company's website https://investor.kofola.cz/en. Sending of the invitation to the shareholders is replaced by publishing of the invitation in the Commercial Journal. The invitation shall contain all information required by law. If a qualified shareholder requests the Board of Directors to convene the General Meeting, it shall be convened in a manner and period prescribed by the Czech Companies Act. If all the shareholders agree, the General Meeting may be held without fulfilling the requirements set out by law and the Articles of Association.

Any decision within the competence of the General Meeting except decisions on the amendment of the Articles of Association of the Company can also be adopted outside the General Meeting (remotely). The Board of Directors defines the terms of remote vote and specifies them in the draft resolution. Announcement of upcoming remote vote shall be published on Company´s website at least 10 days before the day the draft resolution is delivered to the shareholders. The draft resolution is delivered to the shareholders by publishing in the Commercial Journal as well as Company´s website. The period for delivery of votes is 15 days after the day of delivery of the draft resolution. If a shareholder will not vote on the draft resolution, he shall be deemed to have voted against. The seventh day before the day the draft resolution is delivered to all shareholders is considered as the decisive date for the remote vote. In 2024, the General Meeting adopted a decision on profit distribution outside the General Meeting (remotely).

There is no provision of the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

Voting at General Meeting

Shareholders may participate in the General Meeting and exercise their voting right personally or by proxy. It is also allowed to exercise voting right by correspondence in compliance with Article 14 par. 14.2. and following of the Articles of Association of the Company.

Each share in the capital of the Company confers the right to cast one vote, subject to the relevant provisions of the Articles of Association. The total number of votes in the Company is 22,291,948 votes. As the date of the Annual report, the total number of votes in the Company is reduced by number of votes attached to the Company´s shares by which is not possible to exercise the voting right (shares owned by the company RADENSKA controlled by the Company and the Treasury shares owned by the Company) and amounted to 21,266,682 votes. None of the Participating Shareholders has different voting rights.

Every holder of the Company's share(s) and every other party entitled to attend the General Meeting who derives his rights from such share(s), is entitled to attend the General Meeting in person, or be represented by a person holding a written power of attorney unless provided by the legal provisions or the Articles of Association of the Company otherwise, to address the General Meeting and, as far as he/she has voting rights, to vote at the meeting. For this purpose, Czech law prescribes a mandatory record date to establish which shareholders are entitled to attend and vote at the General Meeting.

Such record date is fixed at the seventh day before said General Meeting. The invitation to the General Meeting shall state the record date, the place and the manner in which registration shall take place. According to Article 8 par. 8.2 of the Articles of Association of the Company the list of shareholders is replaced by a book-entry securities register issued by the Central Securities Depository. The book-entry securities register shall be used for identification of attendance at the General Meeting. The Company requests an extract of book-entry securities register for such purpose.

The General Meeting constitutes a quorum if the shareholders present at the General Meeting own shares with an aggregate face value exceeding 50% of the share capital. All resolutions are adopted by a simple majority of votes unless otherwise specified in the legal provisions. Shareholders vote by raising a voting card indicating the number of votes pertaining to the respective shareholder. Shareholders may also cast votes by correspondence voting. In such case, shareholders cast their votes in writing at least one business day before a General Meeting is opened. The Company records the voting results for each resolution adopted at a General Meeting.

Detailed information regarding participation and voting at General Meetings is being included in the invitation to the General Meeting published in accordance with relevant Czech legislation.

Decision making of the General meeting

The General Meeting of the Company is quorate if the present shareholders hold shares with the par value which exceeds 50% of the share capital. The General Meeting adopts decision by a majority of votes of the present shareholders, unless a different majority is required by the law. The Articles of Association do not require any majorities that differ from the majorities required by the law.

According to the Czech Companies Act, decisions adopted remotely are approved by majority of all the shareholders of the Company.

General Meetings in 2024

During the year 2024, one ordinary General Meeting was held by the Company.

On 28 June 2024, the ordinary General Meeting took place which in particular:

- heard the Report of the Board of Directors on business activities of the Company and state of its assets for the year 2023 and Summary explanatory report regarding the matters pursuant to Section 118 subsec. 5 par. a) to k) of the Capital Market Undertakings Act and Conclusions of the Report on relations between controlling entity and controlled entity and between controlled entity and entities controlled by the same controlling entity for the year 2023;
- heard the Report of the Supervisory Board on the results of the control activities including information about review of the Report on relations;
- approved the financial statements of the Company for the year 2023 and Consolidated financial statements of Kofola ČeskoSlovensko Group for the year 2023;
- decided on the management the Company´s economic result
- approved the Report on remuneration for 2023;
- approved the contracts and amendments to contracts on the performance of a function with members of the audit committee
- heard the information on the Company´s dividend policy for the years 2024 and 2025
- approved the amendment no. 6 and restatement agreement of the original loan agreement and the pledge agreement pertaining to the share of 51 % in the PIVOVARY TRIANGL s.r.o. company, and approved the pledge documentation connected to financing of the acquisition of PIVOVARY TRIANGL s.r.o. and discussion of potential conflict of interest

6.4.2 BOARD OF DIRECTORS

Board of Directors

The Board of Directors of the Company has 6 members.

The Board of Directors is responsible for the day-to-day management of the Company's operations under the supervision of the Supervisory Board. Status, powers, composition, decision-making and other basic rights and obligations as well as rules of procedure are included in Art. 15 of the Articles of Associations of the Company. The Board of Directors is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval, as more fully described below. The members of the Board of Directors are elected by the Supervisory Board.

A member of the Board of Directors is appointed for a period of five years. A member of the Board of Directors may be reappointed. The Supervisory Board may also dismiss any member of the Board of Directors at any time.

The Board of Directors appoints a Chair and two Vice-Chairs from amongst its members.

The Board of Directors constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of the present or otherwise participating members. In case of a tie, the vote of the Chair decides. Resolutions of the Board of Directors require the approval of the General Meeting when these relate to an important change in the identity or character of the Company or its business.

The Board of Directors acts on behalf of the Company towards third parties, in which case the Chair of the Board of Directors together with one member of the Board of Directors or Vice-Chair of the Board of Directors together with one member of the Board of Directors shall act jointly.

Meetings of the Board of Directors are convened as the need arises.

Members of the Board of Directors

As at the date of the Report, the Board of Directors is composed of six members. The table below sets forth the names, positions, election date, and terms of office of the current members of the Board of Directors:

Members of the Board of Directors	Position	Appointment date	Expiration of the office term
Janis Samaras	Chairman of the Board of Directors – Chief Executive Officer	18 September 2015	30 June 2025
Daniel Buryš	Vice-Chair of the Board of Directors – General Director of CS operation	17 June 2015	30 June 2025
René Musila	Vice-Chair of the Board of Directors – Chief Operations Officer of Kofola Group	16 June 2015	30 June 2025
Marián Šefčovič	Member of the Board of Directors – Chief Executive Officer of Adriatic operation	21 June 2017	30 June 2025
Martin Pisklák	Member of the Board of Directors – Chief Financial Officer of Kofola Group	1 April 2020	1 April 2025
Martin Mateáš	Member of the Board of Directors – Chief Executive Officer of LEROS	30 June 2020	30 June 2025

Janis Samaras

Janis Samaras is the Chairman of the Board of Directors and the CEO of the Company. He received secondary education and gained a CIMA certificate from the Czech Institute of Marketing in 2010. He was awarded Entrepreneur of the Year 2011 in the Czech Republic. In 1991, together with his father, Mr. Samaras established a company, SANTA NÁPOJE, Krnov, a.s. that took over the Kofola trademark in 2002. Starting from 1996, Mr. Samaras has held various managerial positions at SANTA NÁPOJE and thereafter in the Kofola Group, including being CEO and Chairman of the Board of Directors of Kofola a.s. (CZ), Kofola a.s. (SK), Kofola CS a.s. and KOFOLA S.A. (PL).

René Musila

René Musila is the Vice-Chair of the Board of Directors and the Chief Operations Officer of Kofola Group. He received secondary education. He has been present in the beverage industry since 1993 when he started to work at SP VRACHOS, which was taken over by SANTA NÁPOJE, the predecessor of the Kofola Group. Since 1996, he has been the Operating Director at Kofola CS responsible for production, purchasing and quality. In the following years, he became responsible for managing production plants, investments and new technologies in the whole Group. Since 2024, he has been the CEO of the breweries owned by the Kofola Group.

Daniel Buryš

Daniel Buryš is the Vice-Chair of the Board of Directors and the Chief Executive Officer for the matters of Kofola a.s. (CZ) and Kofola a.s. (SK). In 1993, he graduated in automatic control in economy from the Technical University of Ostrava, Czech Republic. He also completed an MBA programme at Liverpool JMU School organized by Technical University of Ostrava, Czech Republic in 2008. Mr. Buryš joined the Kofola Group in 2010 as the CFO of Czech operations. Prior to joining the Kofola Group, Mr. Buryš was CFO at Štěrkovny spol. s r. o. (2000-2004), Severomoravská energetika, a. s. (2004-2007) and Elektrociepłownia Chorzów „ELCHO" S.A. (ČEZ Group).

Marián Šefčovič

Since 1999, Marián Šefčovič acted as a regional salesman in SANTA DRINKS a.s. (currently Kofola a.s. Slovakia). During 2001-2002, he was a sales manager of Kofola a.s. (SK). Between 2002-2007, he acted as a sales director of Kofola a.s. (SK) where he was responsible for the entire sales force and sales strategy in Slovakia. During 2007-2011, he acted as general director of Kofola a.s. (SK). Since September 2011 until April 2015, he also acted in the position of the sales director responsible for sales in all channels of Kofola brand in the Czech Republic and Slovakia. Since March 2015, Mr. Šefčovič has been acting as CEO of Adriatic business.

Martin Pisklák

Martin Pisklák graduated in Business Finance and Accounting at Masaryk University in Brno in 2005. During his studies, he spent one semester studying International Business Relations at the Austrian FH Burgenland. He joined Kofola in December 2010. From 2011 – 2014 he was Head of Controlling, and from 2015 – 2019 he was Chief Financial Officer and Vice Chairman of the Board of Directors of RADENSKA and Studenac in the Adriatic region. Prior to joining Kofola, Martin was a transaction advisor at PwC (2008-2010), and a financial auditor at PwC (2005-2008).

Martin Mateáš

Martin Mateáš has a university degree in Management. He worked in companies ST. NICOLAUS – trade CZ and Heineken in the past, and in 2005, he joined the Kofola Group. After his first position as a Brand manager of favourite mineral water Rajec, he became a CMO of the whole Group. In 2010, he moved to Poland where for the next five years he led the entire Polish branch as its General Manager. He has been LEROS CEO since 2018.

Directorships of Members of the Board of Directors

The following table sets forth the past and current directorships held by the current members of the Board of Directors in the past five years:

Directorships of Members of the Board of Directors

The following table sets forth the past and current directorships held by the current members of the Board of Directors in the past five years:

6. CORPORATE GOVERNANCE REPORT

Directorships of the Board of Directors members	Current and former directorships
Janis Samaras	Chairman of the BoD, Kofola ČeskoSlovensko a.s., since 2015 Chairman of the BoD, Kofola a.s. (CZ), since 2011 BoD Member, Alofok Ltd (liquidated in 2021), 2012-2021 Chairman of the BoD, Kofola a.s. (SK), since 2004 (Chairman of the BoD since 2015) Statutory representative, UGO trade s.r.o., since 2018 Chairman of the BoD, AETOS a.s. v likvidaci, 2017-2024 Statutory representative, Palác Silesia s.r.o., since 2016 SB member, Nadační fond proti korupci v likvidaci, 2012-2021 Member of statutory body, Nadační fond Bez-DOMOVA, since 2016 Statutory representative Bilgola fresh s.r.o., since 2023 SB member, FILIP REAL a.s., since 2023 Statutory representative, PIVOVARY TRIANGL s.r.o., since 2023 Member of the SB, Pivovary CZ Group a.s., since 2024 Statutory representative, PRAGEROVY SADY LIBINA s.r.o., since 2024 Chairman of the SB, General Plastic, a. s. (SK), since 2023 Chairman of the BoD, Lykos alfa a.s, since 2024
René Musila	Member of the BoD, Kofola ČeskoSlovensko a.s., since 2015 (Vice Chairman of the BoD since 2018) Statutory representative, SANTA-TRANS s.r.o., since 2004 Member of the BoD of Kofola a.s. (CZ), since 2011, (Vice-chairman in 2015-2018, and since 2022) SB Member, Kofola a.s. (SK), 2018-2023 BoD Member, AETOS a.s. v likvidaci, 2017-2024 Shareholder, Afton s.r.o., since 2006 Vice-Chair of the BoD, Kofola a.s. (SK), since 2023 BoD member, FILIP REAL a.s., since 2023 Statutory representative, Cafe Dorado s.r.o., 2023-2025 Statutory representative, PIVOVARY TRIANGL s.r.o., since 2023 Chair of the BoD, Pivovary CZ Group a.s., since 2024 Statutory representative, FONTÁNA PCZG s.r.o., since 2024 Member of the BoD, Lykos alfa a,s, since 2024
Daniel Buryš	Member of the BoD, Kofola ČeskoSlovensko a.s., since 2015 (Vice-Chair of the BoD since 2018) Member of the BoD Kofola a.s. (SK) since 2011, Vice-Chair of the BoD since 2019 Member of the BoD, Kofola a.s. (CZ), since 2011 (Vice-Chair of the BoD since 2018) Statutory representative, F.H. Prager s.r.o., 2020-2021 Chairman of the BoD, ONDRÁŠOVKA a.s., 2020-2021 Statutory representative, Karlovarská Korunní s.r.o., 2020-2021 Statutory representative and liquidator, Minerálka s.r.o. (SK), 2020-2021 Member of the SB, REMA AOS, a.s., since 2020 Statutory representative, Semtex Republic s.r.o., since 2021
Marián Šefčovič	BoD Member, Kofola ČeskoSlovensko a.s., since 2017 Chairman of the BoD, RADENSKA d.o.o., since 2015 Chairman of the BoD, Studenac d.o.o., since 2016
Martin Pisklák	BoD Member, Kofola ČeskoSlovensko a.s., since 2020 BoD Member, RADENSKA d.o.o., 2015-2020 BoD Member, Studenwac d.o.o., 2015-2020 BoD Member, Radenska d.o.o. (liquidated in 2020), 2015-2020 Member of the SB, Pivovary CZ Group, since 2024 Statutory representative, Supplo s.r.o., since 2024
Martin Mateáš	BoD Member, Kofola ČeskoSlovensko a.s., since 2020 Statutory representative, Espresso s.r.o., 2019-2020 Statutory representative, LEROS s.r.o., since 2018 Statutory representative (and shareholder), DENTU s.r.o. (SK), 2017-2019 Statutory representative, Leros Slovakia, s.r.o. (SK), since 2018 Statutory representative, PREMIUM FOODS s.r.o. v likvidácii (SK), 2020-2021 Statutory representative (and shareholder), GAUDIN MONK s.r.o. (SK), since 2019 Statutory representative, Bylinkárna s.r.o., since 2022 Statutory representative, Café Dorado s.r.o., since 2022

Above mentioned activities are considered as significant.

6.4.3 SUPERVISORY BOARD

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Board of Directors and for supervising the Company's business generally. In performing its duties, the Supervisory Board is required to consider the interests of the Company's business. Status, powers, composition, decision-making and other basic rights and obligations as well as rules of procedure are included in Art. 16 of the Articles of Association of the Company. The members of the Supervisory Board are not authorised to represent the Company in dealings with third parties, unless they are explicitly appointed by the Supervisory Board to represent the Company in courts and other authorities' proceedings against a member of the Board of Directors of the Company. The members of the Supervisory Board are elected by the General Meeting.

A member of the Supervisory Board is appointed for a period of five years. A member of the Supervisory Board may be reappointed. The General Meeting may elect alternate member/s for filling free posts of members of the Supervisory Board according to the predefined order. If the alternate members are not elected, the Supervisory Board, in which the number of members elected by the General Meeting has not decreased by more than one half, may appoint substitute member until the next General Meeting. The term of office of a substitute member of the Supervisory Board shall not be applied towards the term of office of a member of the Supervisory Board.

The Supervisory Board consists of five members. The Supervisory Board shall appoint a chairperson from amongst its members. The General Meeting may at any time suspend or dismiss Supervisory Board members.

The Supervisory Board constitutes a quorum if a majority of its members is present or otherwise takes part in a meeting. It takes a decision by a majority of votes of the present or otherwise participating members. In case of a tie, the vote of the chairman decides.

The Supervisory Board holds at least one meeting every calendar quarter. The Supervisory Board may also take decisions per rollam.

Members of the Supervisory Board

As at the date of the Report, the Supervisory Board is composed of five members. The table below sets forth the names, positions, election date, and terms of office of the current members of the Supervisory Board:

Members of the Supervisory Board	Position	Appointment date	Expiration of the office term
René Sommer	Chairman of the Supervisory Board	17 June 2015	5 August 2025
Moshe Cohen-Nehemia	Member of the Supervisory Board	15 September 2015	5 August 2025
Tomáš Jendřejek	Member of the Supervisory Board	30 November 2018	5 August 2025
Ladislav Sekerka	Member of the Supervisory Board	28 June 2021	28 June 2026
Alexandros Samaras	Member of the Supervisory Board	28 June 2021	28 June 2026

A brief description of the qualifications and professional experience of the members of the Supervisory Board is presented below.

René Sommer

René Sommer is the Chairman of the Supervisory Board of the Company. In 1992, Mr. Sommer started to cooperate with SP VRACHOS, which was taken over by SANTA NÁPOJE, the predecessor of the Kofola Group. Mr. Sommer held many different positions in the Group's structures in financial, HR and legal departments. He also held the position of CEO in Kofola a.s. (CZ). Prior to joining the Kofola Group, he worked, among others, as the Project Manager of Production for ČKD Polovodiče Praha, a.s. (until 1990) and ran his own grocery chain (starting from 1990).

Moshe Cohen-Nehemia

Moshe Cohen-Nehemia is a member of the Supervisory Board of the Company. He graduated from the Faculty of Economics at the Open University in Israel in 1995 and completed an MBA program at Ben Gurion University in 2000. Mr. Cohen-Nehemia joined the Kofola Group in 2014 as a member of the Supervisory Board of KOFOLA S.A. (PL). Mr. Cohen-Nehemia gained professional experience in the beverages industry at Jafora Tabori in Israel (1997-2004), RC Cola International in USA

(2005-2018), being the Managing Director responsible for the entire commercial operation, Beverage Partners International a global beverage company in Israel (from 2019) as a Chief Operation Officer.

Tomáš Jendřejek

Tomáš Jendřejek is a member of the Supervisory Board of the Company. He received secondary education and gained a CIMA certificate from the Czech Institute of Marketing in 2010. He established his relationship with Kofola in 1994 as a Sales representative and after several promotions he became the Sales Director in 2002. Since 2006, he has been responsible for procurement of the Group. Before joining the Group, he had worked for eight years in the plant producing the tannery industry machines.

Ladislav Sekerka

Ladislav Sekerka is a partner at Consilium Family Office after a decade at UBS Wealth Management out of Zurich and Vienna. As an Executive Director, he advised HNWI, UHNW and family office clients across Central Europe. He has professional experience in the international banking environment as well as on the buy-side. He had several senior roles in the wealth management industry and has experience from retail, corporate and investment banking, and asset management. He is a Harvard Business School Alumnus and holds a Master´s degree from Masaryk University (Law) and Brno University of Technology (Economics).

Alexandros Samaras

Alexandros Samaras is a Programme Manager of EU funds, responsible for the Cooperation Programmes of Greece with North Macedonia and with the Black Sea Basin at the Ministry of Economy & Finance, Greece. He has an experience in Finance, Controlling and Accounting and holds a Master´s Degree in Public Law and Political Science (LL.M) and Degree in Law from Democritus University of Thrace and a degree in Economics from University of Macedonia.

Directorships of the Members of the Supervisory Board

The following table sets forth the past and current directorships held by the current members of the Supervisory Board in the past five years:

Directorships of the Supervisory Board members	Current and former directorships
René Sommer	Chairman of the SB, Kofola ČeskoSlovensko a.s., since 2015 Chairman of the SB, AETOS a.s. v likvidaci, 2017-2024 Statutory representative, Palác Silesia s.r.o., since 2016 Chairman of the SB, REMA AOS, a.s., 2015-2021 Chairman of the SB, Kofola a.s. (CZ), since 2023 (since 2019 SB Member) SB Member, Kofola a.s. (SK), since 2022 Chairman of the SB, Lykos alfa a,s, since 2024 Chairman of the management board, Asociace OBNOVA 2024+, z.s., since 2024
Moshe Cohen-Nehemia	SB Member, Kofola ČeskoSlovensko a.s., since 2015 Managing director, RC Cola International, 2017-2019 CEO, Beverage Partners International, since 2019
Tomáš Jendřejek	SB Member, Kofola ČeskoSlovensko a.s., since 2018 SB Member, Kofola a.s. (CZ), since 2016 Statutory representative, UGO trade s.r.o., 2018-2024 Statutory representative, SANTA-TRANS s.r.o., since 2013 SB Member, AETOS a.s. v likvidaci, 2017-2024 BoD Member, Kofola a.s. (SK), since 2018 SB Member, ONDRÁŠOVKA a.s., 2020-2021 Member of the SB, Lykos alfa a,s, since 2024 Statutory representative. PRAGEROVY SADY LIBINA, since 2024
Alexandros Samaras	SB Member, Kofola ČeskoSlovensko a.s., since 2021 Statutory representative, PRAGER´S s.r.o., since 2024 Statutory representative, F.H.Prager s.r.o., since 2021

6. CORPORATE GOVERNANCE REPORT

Directorships of the Supervisory Board members	Current and former directorships
Ladislav Sekerka	SB Member, Kofola ČeskoSlovensko a.s., since 2021 SB Member, BioVendor – Laboratorní medicína a.s., 2017-2025 Statutory representative, SECO Invest s.r.o., since 2018 Statutory representative, ConsilEng s.r.o., since 2017 Statutory representative, DLI project I s.r.o., since 2020 Statutory representative, DLI Panorama s.r.o., since 2021 Member Member of the management board, Nadace rodiny Vlčkových, since 2021 Shareholder, Alts Partner s.r.o. since 2022 Member of the BoD, Úněšovský statek a.s., 2023-2025 Statutory representative RDC Alfa s.r.o., since 2023 Statutory representative RDC Beta s.r.o., since 2023 Statutory representative, RDC Finance s.r.o., since 2023

Above mentioned activities are considered as significant.

6.4.4 AUDIT COMMITTEE

Competences of the Audit Committee are laid down by the law. The Audit Committee assists the Supervisory Board in supervising the activities of the Board of Directors with respect to:

- recommending to the Supervisory Board the selection of an auditor of the financial statements of the Company and of the Group companies, and of the consolidated financial statements,
- monitoring the audit of the Company's financial statements and the consolidated financial statements for the previous financial year; becoming familiar with the details of the results of these audits at their various stages,
- presenting to the Board of Directors its findings and recommendations relating to the audit and evaluation of the financial statements and consolidated financial statements for the previous financial year, as well as the Board of Director's proposed distribution of profit or coverage of loss,
- presenting to the Board of Directors its findings and recommendations on granting a discharge to the member of the Board of Directors in charge of the economic and finance department for the duties he/she performed,
- submitting to the Board of Directors annual reports on the Audit Committee's operations, and
- other matters as specified in Article 41 of Directive No. 2006/43/EC passed by the European Parliament on 17 May 2006.

The members of the Audit Committee are elected by the General Meeting from among the Supervisory board or third parties.

Members of the Audit Committee

As at the date of the Report, the Audit Committee is composed of three members. The table below sets forth the names, positions, election date, and terms of office of the current members of the Audit Committee:

Members of the Audit Committee	Position	Appointment date	Expiration of the office term
Petr Šobotník	Member of the Audit Committee	21 June 2017	21 June 2027
Zuzana Prokopcová	Chairman of the Audit Committee	30 November 2018	30 November 2028
Lenka Frostová	Member of the Audit Committee	30 November 2018	30 November 2028

Zuzana Prokopcová became a Chairman of the Audit Committee in November 2023.

A brief description of the qualifications and professional experience of the members of the Audit Committee is presented below.

Petr Šobotník

Petr Šobotník is a member and former Chairman of the Audit Committee. He has more than 20 years' experience in audit profession, in 1995-2010 he was an audit Partner in Coopers & Lybrand and PricewaterhouseCoopers. Up to his early retirement from PwC in 2010, he functioned in various performing positions focusing mainly on local market development. Petr Šobotník also served as the President of the Chamber of Auditors of the Czech Republic in years 2007-2014, from 2014-2016 he was a member of the Supervisory Board of the Chamber of Auditors of the Czech Republic.

Zuzana Prokopcová

Zuzana Prokopcová was elected the new Chairman of the Audit Committee. Zuzana Prokopcová graduated from the University of Economics in Prague, Faculty of finance and accounting. She has experience as an auditor in international advisory company and in the management of large companies. Zuzana began her professional career at the international consulting company PricewaterhouseCoopers (PwC) in 1998, where she served as an auditor, focusing mainly on financial institutions. For 2014-2016, she was the Vice-Chairman of the Board of Directors and CFO of Czech Aeroholding, the leading company in the field of air transport in the Czech Republic, where she was responsible for treasury, accounting, tax, controlling, internal audit and risk management areas. Zuzana is a Certified member of the Association of Chartered Certified Accountants. Currently she serves as a member of Supervisory Board of MONETA Money Bank, a.s. and as a chairwomen of AC of MONETA Money Bank, a.s.

Lenka Frostová

Lenka Frostová is a member of the Audit Committee. Lenka Frostová graduated from the Technical University of Ostrava with a specialisation in management. She became a member of the Association of Chartered Certified Accountants in 2000. She joined the Kofola Group in 2016 as Group reporting manager, and in 2018 she assumed the role of Financial manager (2018-2024). Previous to joining the Kofola Group, she was an audit supervisor at Ernst & Young Audit, s.r.o. (1996-2005) and later joined OKD, a.s. as an IFRS Accounting Standards specialist, before becoming Accounting manager (2005-2016). Currently, she runs her own business projects.

Directorships of the Members of the Audit Committee

The following table sets forth the past and current directorships held by the current members of the Audit Committee in the past five years:

Directorships of the Audit Committee members	Current and former directorships
Petr Šobotník	AC member, Kofola ČeskoSlovensko a.s., since 2017 (2017-2023 Chairman) Vice-Chair of the AC, Severomoravské vodovody a kanalizace Ostrava a.s., since 2017 Chairman of the AC, ČEPRO, a.s., since 2016 Vice-Chair of the AC, Letiště Praha, a.s., since 2023 (2014-2023 Chairman) Chairman of the AC, Československá obchodní banka, a.s., 2016-2023 Statutory representative (and shareholder), AFITEC s.r.o. (earlier Šobotník & Partners, s.r.o.), 2010-2020 Member of the SB, Letiště Praha, a. s., since 2017 Chairman of the AC, Českomoravská stavební spořitelna, a.s., 2019-2022 Chairman of the AC, ČSOB Penzijní společnost, a. s., member of group ČSOB, 2016-2022 ViceChairman of the AC, MERO ČR, a.s., since 2021 Member of the AC, Phillip Morris ČR a.s., since 2021
Zuzana Prokopcová	Chairman of the AC, Kofola ČeskoSlovensko a.s., since 2023 (since 2018 Member) AC member, MONETA Money Bank, a.s., since 2017 AC member, MONETA Stavební spořitelna, a.s., since 2020 Member of the management board, Nadace MONETA Clementia, since 2021 Member of the SB, PPF Group N.V., since 2021
Lenka Frostová	AC Member, Kofola ČeskoSlovensko a.s., since 2018 Shareholder, Zahradní OLLA s.r.o., since 2023

Above mentioned activities are considered as significant.

6.4.5 PERSONS WITH EXECUTIVE AUTHORITY

Definition

The Company regards as persons with executive authority those persons that are either:

- a member of the Board of Directors of the Company, or
- a member of the Supervisory Board of the Company.

Identification

The following persons qualified as persons with executive authority:

Members of the Board of Directors

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

Members of the Supervisory Board

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

No person with executive authority has been convicted of crime or fraud in the past five years, they were not connected with any proceedings of bankruptcy or liquidation, nor were they involved in any public accusation from official authorities. No person with managerial responsibilities was rendered incapable of acting as a member of management or supervisory bodies of any company in the past five years.

No person with managerial responsibilities is in the conflict of powers with the Group activities.

Remuneration principles

The persons with executive authority, aside from regular salaries that are based on individual employment contracts, receive variable compensation based on the Group´s results. Some of them are also participants in the Share based payment Plan. Remuneration for explicit work in the Board of Directors and Supervisory Board, as well as in Audit Committee is paid only to Non-executive members. The remuneration level is given by the General Meeting resolution. No members of the administrative, management or supervisory body of the Company or any of its subsidiaries have any service contracts with the Company or the respective Company's subsidiary which would provide benefits upon termination of the member's services with the Company or the respective Company's subsidiary.

All members of administrative, management and supervisory bodies of the Company and of its subsidiaries work for the Company or the respective subsidiary on the basis of standard employment contracts and the relationship between these members and the Company or the respective Company's subsidiary is governed by the local employment law. Accordingly, all members of the administrative, management and supervisory bodies of the Company work on the basis of an individual employment contract governed by the applicable law.

The remuneration of persons with executive authority consists of a fixed and a variable component related to each particular position and the management level. Remuneration is paid in the form of salaries for work performed under employment contracts. The level of salaries is based on qualified benchmarking studies on manager´s remuneration in the respective countries and reflects both managerial and professional potential as well as competencies. The variable component amounts 0 – 100% of the basic monthly salaries and is paid yearly in relation to the level of planned EBITDA performance. The payment execution is not a subject of any further approval of the Board of Directors, until the variable component amount exceeds the limit stated in the Articles of Association.

In addition to financial income, persons with executive authority are entitled to an income in kind, which includes:

1. right to use a business car for private purposes;
2. accommodation costs, eventual costs associated with relocation;
3. air ticket expenditures according to internal regulation;
4. fuel consumption for private purposes.

This income in kind is adjusted by the internal regulation and depends on the level of managerial position.

The remuneration system is approved by the Board of Directors. The variable component related to planned EBITDA is amended individually for each year by the Board of Directors as well.

The Company has not entered into any work or other agreement with a person with executive authority that would grant such person any special entitlements (e.g. severance payment), except for the ones granted by the legal provisions. According to the Czech law, an employee is entitled to a severance payment upon termination of his/her employment (by agreement or notice) only if:

1. the employer or a portion of the employer's organization is dissolved or relocated, or
2. the employee becomes redundant because of a decision by the employer or the respective body to change the employer's tasks or technical set-up, to reduce the number of employees for the purpose of raising work productivity, or to make other organizational changes. If one of the above conditions is met, the employee should receive from the employer a severance payment based on his/her years of service as set out in the table below:

Duration of employment relationship	Amount of severance payment
less than 1 year	at least 1 multiple of the employee’s average monthly earnings
at least 1 year but less than 2 years	at least 2 multiples of the employee’s average monthly earnings
at least 2 years	at least 3 multiples of the employee’s average monthly earnings

If the reason for employment termination (by agreement or notice) is a work-related injury, work-related sickness or threat of work-related sickness, the employee is then entitled to receive from the employer a severance payment in the amount of at least 12 multiples of the employee’s average monthly earnings.

With respect to the members of the Board of Directors and the Supervisory Board the Group transfers mandatory social security contributions being part of the national pension systems in the countries where the Group is obliged to make such contributions. No other amounts are set aside to provide pension or retirement benefits to the members ofthe Board of Directors and the Supervisory Board.

Remuneration of key management personnel of the Group and Company is described in sections B.4.24.2 and C.4.25.3.

6.5. DESCRIPTION OF DIVERSITY POLICY APPLIED TO GOVERNANCE BODIES

Due to the fact that there is no binding diversity policy regime in the Czech Republic, which the Company has to comply with, the Company, as at the date of the Annual report, did not commit to comply with any specific diversity policy (as defined in Capital Markets Act section 118.4h).

Regardless of age, gender or other indicators the Company places main emphasis on search and appointment of the most suitable candidates into the governance bodies of the Company (Board of Directors, Supervisory Board or Audit Committee) taking account on their background, experience and qualification for performance of the position of a member of the relevant governance body of the Company. The Company also assess candidates´ knowledge in the business field of the Company or nature of activities of the relevant body.

All the persons suitable for the positions in the governance bodies of the Company are chosen in a non-discriminatory manner. The Company´s long-term effort is to build a corporate culture that is professionally open to everyone, regardless of gender, race, colour, nationality, ethnic, origin, worldview, religion, health, age or sexual orientation.

6.6. FINANCIAL REPORTING PROCESS

Entities in the Kofola Group keep their accounting primarily in accordance with the local accounting standards. The Group companies maintain a parallel general ledger according to International Financial Reporting Standards as adopted by the European Union (IFRS Accounting Standards) for consolidation purposes, as well as for the Group management who periodically evaluates results prepared in line with IFRS Accounting Standards.

Individual Group companies are reporting their statutory annual financial results according to local accounting standards, except for Kofola ČeskoSlovensko a.s. (as the issuer of publicly traded instruments), that reports separate results annually and consolidated results quarterly and annually based on IFRS Accounting Standards.

The Group maintains the Group Accounting Manual that complies with IFRS Accounting Standards that contains general principles to prepare the consolidation packages and consolidated financial statements. All the Group entities follow the Group Accounting Manual and as such the Group accounting policies are unified.

The accounting is partly carried out at individual entities and partly is centralised. The shared service is maintained by Kofola ČeskoSlovensko a.s. in Ostrava.

The accounting is processed in enterprise information system SAP that is implemented in all major Group companies (except Pivovary CZ Group a.s. with Helios information system). The Company and the Group follow the internal guidelines and internal directives with respect to e.g. the circulation of accounting documents, approval processes or orders.

The approval procedures are specified in internal guidelines that specify the transaction limits that particular employees can approve. The Group has implemented a three-way match policy to pair order, receipt note (or other confirmation of transaction) and the invoice. The payments are made only if approved by a specified employee, the treasury function is personally separated from accounting function.

The information system access rights are granted after approval by persons specified in internal guidelines only to authorised employees and only to limited parts of the system valid for the employee´s job specification.

The accounting is under an oversight of controlling department that is separated from accounting department both personally and in terms of organization structure. Also, the Group has established an internal processes review function in order to assess and improve the design, implementation and operating effectiveness of the internal controls and processes. The accounting is also subject to external audit, both on individual and on consolidated basis, with the Audit Committee overseeing the audit process and findings.

7. REPORT ON RELATIONS

REPORT ON RELATIONS BETWEEN THE CONTROLLING ENTITY AND THE CONTROLLED ENTITY AND BETWEEN THE CONTROLLED ENTITY AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY FOR THE ACCOUNTING PERIOD OF 2024

Pursuant to Section 82 of Act No. 90/2012 Coll., on business corporations, the Board of Directors of Kofola ČeskoSlovensko a.s., with its registered office at Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, Czech Republic, identification number 24261980, in the Commercial Register kept by the Regional Court in Ostrava, section B, Insert No. 10735 („Controlled entity“ or „Company“) has prepared the following Report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity for the accounting period of twelve months ended 31 December 2024 („Indicated period“).

7.1. STRUCTURE OF RELATIONS BETWEEN RELATED PARTIES AND THE DESCRIPTION OF THE ENTITIES

Based on the information known to the Board of Directors of the Company acting with due care, the Company was part of the group controlled by AETOS a.s. („Group“) till 19 August 2024. On 19 August 2024, AETOS a.s. and its shareholders have initiated steps to restructure the ownership structure of the Group, which includes Kofola ČeskoSlovensko a.s. The aim of these steps was to ensure succession and the management of family assets for the next generation through a family foundation named FILÍA Foundation. Lykos alfa a.s. acquired the assets and liabilities of AETOS a.s. on 19 August 2024 and thus become the majority shareholder of Kofola ČeskoSlovensko a.s. The shareholders structure of Lykos alfa a.s. and AETOS a.s. are identical. Regarding Kofola ČeskoSlovensko a.s., this restructuring does not represent a change, as the majority of voting rights in Kofola ČeskoSlovensko a.s. remained under the control of the current shareholders of AETOS a.s. Actually, there was no change in shareholders of Lykos alfa a.s. compared to shareholders of AETOS a.s. This means that there was no change in the ownership or control of Kofola ČeskoSlovensko a.s., nor any other changes that could affect Kofola ČeskoSlovensko a.s.

Data about the entities that were part of the Group are valid as of 31 December 2024, based on the information known to the Board of Directors acting with due care.

7.1.1 INFORMATION ABOUT THE GROUP ENTITIES

Controlled entity

Kofola ČeskoSlovensko a.s.

Identification number: 24261980
Registered office: Nad Porubkou 2278/31a, 708 00 Ostrava, Czech Republic

Controlling entity

AETOS a.s. till 19 August 2024

Identification number: 06167446
Registered office: Nad Porubkou 2278/31a, 708 00 Ostrava, Czech Republic

Lykos alfa a.s. from 19 August 2024

Identification number: 21815852
Registered office: Železnobrodská 194/17, 747 06 Chvalíkovice, Czech Republic

7. REPORT ON RELATIONS

Other entities controlled by controlling entity

Kofola a.s.

Identification number: 27767680
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

Kofola a.s.

Identification number: 36319198
Registered office: súp. č. 1, 013 15 Rajecká Lesná, Slovakia

UGO trade s.r.o.

Identification number: 27772659
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

Bilgola fresh s.r.o.

Identification number: 29453941
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

SANTA-TRANS s.r.o.

Identification number: 25377949
Registered office: Ve Vrbině 592/1, 794 01 Krnov - Pod Cvilínem, Czech Republic

RADENSKA d.o.o.

Identification number: 5056152
Registered office: Boračeva 37, 9502 Radenci, Slovenia

Studenac d.o.o.

Identification number: 42128028
Registered office: Matije Gupca 120, 34551 Lipik, Croatia

Premium Rosa Sp. z o.o.

Identification number: 0000295231
Registered office: ul. Św. Andrzeja Boboli 20, 05-504 Złotokłos, Poland

LEROS, s.r.o.

Identification number: 61465810
Registered office: U Národní galerie 470, Zbraslav, 156 00 Praha 5, Czech Republic

Leros Slovakia, s.r.o.

Identification number: 36230561
Registered office: súp. č. 1, 013 15 Rajecká Lesná, Slovakia

Bylinkárna s.r.o.

Identification number: 17235979
Registered office: U Národní galerie 470, Zbraslav, 156 00 Praha 5, Czech Republic

F.H.Prager s.r.o.

Identification number: 29153379
Registered office: U Národní galerie 470, Zbraslav, 156 00 Praha 5, Czech Republic

7. REPORT ON RELATIONS

Semtex Republic s.r.o.

Identification number: 08325448
Registered office: U Národní galerie 470, Zbraslav, 156 00 Praha 5, Czech Republic

Cafe Dorado s.r.o.

Identification number: 19405642
Registered office: U Národní galerie 470, Zbraslav, 156 00 Praha 5, Czech Republic

PIVOVARY TRIANGL s.r.o.

Identification number: 19883218
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

FILIP REAL a.s.

Identification number: 27886557
Registered office: U Národní galerie 471, Zbraslav, 156 00 Praha 5, Czech Republic

Supplo s.r.o.

Identification number: 21087270
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

PRAGEROVY SADY LIBINA s.r.o.

Identification number: 17621852
Registered office: Č.p. 33, 789 73 Klopina, Czech Republic

MIXA VENDING s.r.o.

Identification number: 26824621
Registered office: B. Martinů 2082/6a, 741 01 Nový Jičín, Czech Republic

PRAGER'S s.r.o.

Identification number: 21365997
Registered office: Za Drahou 165/1, Pod Bezručovým vrchem, 794 01 Krnov, Czech Republic

PIVOVARY CZ Group a.s.

Identification number: 09720618
Registered office: Komenského 3622/33a, Přerov I-Město, 750 02 Přerov, Czech Republic

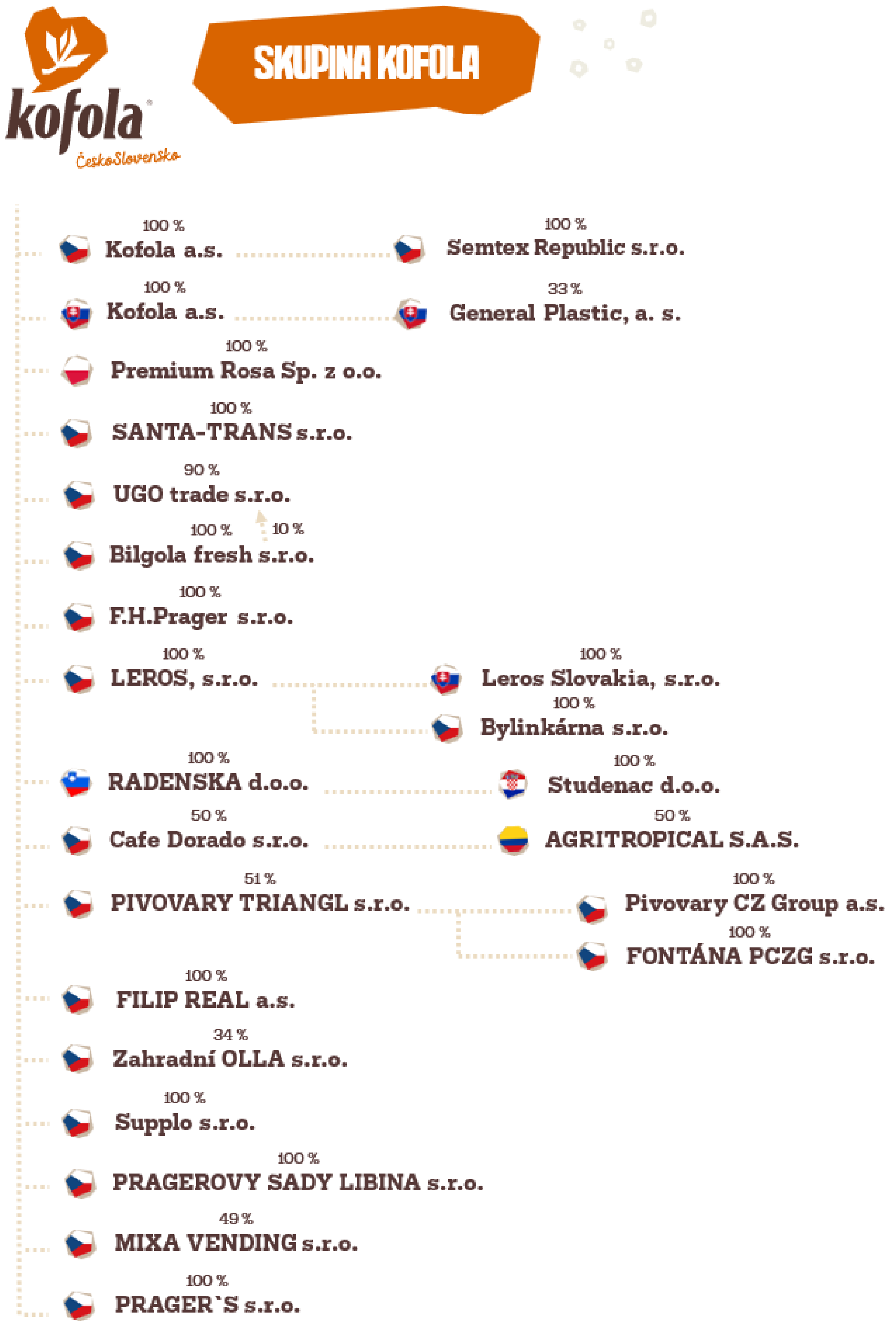
FONTÁNA PCZG s.r.o.

Identification number: 19600151
Registered office: Komenského 3490/35, Přerov I-Město, 750 02 Přerov, Czech Republic

7.2. STRUCTURE OF RELATIONS AND OWNERSHIP INTERESTS BETWEEN RELATED ENTITIES AS AT 31 DECEMBER 2024

Lykos alfa a.s. holds 67.22% share in the Company, the remaining shareholdings are presented in the chart below.

7. REPORT ON RELATIONS



7. REPORT ON RELATIONS

7.3. ROLE OF THE CONTROLLED ENTITY IN THE ORGANISATIONAL STRUCTURE

The Company became part of the Group in 2015. The Company is the parent company of the Kofola Group. The main assets of the Company are the direct and indirect shareholdings in the Group companies. Company also provides certain services for the other companies in Kofola Group. This comprises, in particular, the provision of:

- strategic services, including: cooperation in the preparation of business, marketing, production, investment and financing plans, management of subsidiaries, including their financing;
- services related to products (quality department), including: central product development, innovation process management, costing and pricing, production and logistics planning, quality control;
- shared services, including: controlling and reporting, IT services, legal services, central purchasing department, back office services, supply chain, call centre, internal audit;
- licenses and trademarks: Kofola ČeskoSlovensko a.s. owns most licenses, trademarks for branded beverages and similar copyrights for the products distributed on the CzechoSlovak market, for which the other Group companies pay royalties.

The Company is listed at Prague Stock Exchange.

7.4. METHOD AND MEANS OF CONTROL

With the implementation of the Articles of Association of the Company dated 15 September 2015 as amended on 2 December 2015, 30 May 2016, 20 December 2018, 1 January 2021, 1 January 2022 and 28 June 2023, the control of the Company is exercised above all through decision taken by the General Meeting of the Company, especially through appointment and removal of members of the Supervisory Board which is according to the Articles of Association of the Company entitled to appoint and remove members of the Board of Directors of the Company.

7.5. LIST OF ACTS WITH VALUE EXCEEDING 10% OF EQUITY OF CONTROLLED ENTITY

Equity value of the Company as of 31 December 2023 was CZK 1,944,441 thousand.

The Company distributed a dividend to Lykos alfa a.s. of CZK 202,287 thousand.

7.6. LIST OF MUTUAL CONTRACTS BETWEEN CONTROLLED ENTITY AND CONTROLLING ENTITY OR BETWEEN CONTROLLED ENTITIES

In the Indicated period, the following contracts were concluded or amended between controlled entity and controlling entity or between controlled entities:

- car rental agreement concluded between LEROS, s.r.o. and Kofola ČeskoSlovensko a.s. on 1.1.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 29.1.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PIVOVARY TRIANGL on 31.1.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and MIXA VENDING s.r.o. on 1.2.2024,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 1.3.2024,

- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.3.2024,
- Share Purchase Agreement concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 4.3.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PIVOVARY TRIANGL on 6.3.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and MIXA VENDING s.r.o. on 15.3.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.4.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 30.4.2024,
- car rental agreement concluded between LEROS, s.r.o. and Kofola ČeskoSlovensko a.s. on 1.5.2024,
- car rental agreement concluded between Kofola a.s. (SK) and Kofola ČeskoSlovensko a.s. on 1.5.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 27.5.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.6.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 10.6.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 10.7.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 23.7.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.8.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Pivovary CZ Group a.s. on 1.9.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.9.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and MIXA VENDING s.r.o. on 1.9.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 3.9.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 5.9.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and MIXA VENDING s.r.o. on 1.10.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.10.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 15.10.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 17.10.2024,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 11.11.2024,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 19.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 22.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.9.2022, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 5.8.2024, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 26.8.2024, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 2.9.2024, as amended on 25.11.2024,

7. REPORT ON RELATIONS

- loan agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 7.10.2024, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and Premium Rosa Sp. z o.o. on 17.5.2023, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and Premium Rosa Sp. z o.o. on 16.12.2022, as amended on 17.5.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and Premium Rosa Sp. z o.o. on 3.7.2024, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and UGO trade, s.r.o. on 1.9.2022, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 16.9.2022, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 1.12.2022, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 18.1.2023, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 3.4.2023, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 3.5.2023, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 26.7.2023, as amended on 20.11.2023 and 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 6.12.2023, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 20.3.2024, as amended on 25.11.2024,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and UGO trade, s.r.o. on 18.12.2024.

Provided guarantees:

Entity providing guarantees	Entity receiving guarantees	Currency (CY)	Guarantee amount	Guarantee amount	Guarantee period	Guarantees provided for	Relationship
			CY´000	CZK´000			
Kofola ČeskoSlovensko a.s.	City-Arena PLUS a.s.	EUR	8	202	8/2025	UGO trade s.r.o.	subsidiary
	UNIPETROL RPA, s.r.o.	CZK	130	130	Until the end of contract	UGO trade s.r.o.	subsidiary
	Fatra, a.s.	CZK	100	100	Until the end of contract	UGO trade s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	-	-	1/2025	LEROS, s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	-	-	1/2025	LEROS, s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	665	665	11/2027	UGO trade s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	415	415	11/2027	LEROS, s.r.o.	subsidiary

The following contracts concluded between controlled entity and controlling entity or between controlled entities were effective in the Indicated period:

- licence agreement concluded between Kofola Holding a.s. (predecessor of Kofola CS a.s.) and Kofola a.s. (CZ) on 1.11.2006,
- service agency agreement concluded between Kofola Holding a.s. (predecessor of Kofola CS a.s.) and Kofola a.s. (CZ) on 1.11.2006,
- licence agreement concluded between Kofola Holding a.s. (predecessor of Kofola CS a.s.) and Kofola a.s. (SK) on 1.11.2006,
- service agency agreement concluded between Kofola Holding a.s. (predecessor of Kofola CS a.s.) and Kofola a.s. (SK) on 1.11.2006,

7. REPORT ON RELATIONS

- licence agreement concluded between PINELLI spol. s r.o. (successor of PINELLI spol. s r.o. after merger is Kofola ČeskoSlovensko a.s.) and Kofola a.s. (CZ) on 16.5.2011,
- service agreement concluded between Kofola CS a.s. and Kofola a.s. (SK) on 20.1.2012,
- master inter-group service agreement concluded between Kofola CS a.s. and Radenska d.d. Radenci (original company name of RADENSKA d.o.o.) on 18.3.2015, as amended on 31.3.2015,
- management services agreement concluded between Kofola CS a.s. and Radenska d.d. Radenci (original company name of RADENSKA d.o.o.) on 1.1.2016,
- agreement on the temporary assignment concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.2.2017,
- agreement on the temporary assignment concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 1.2.2017,
- agreement on the temporary assignment concluded between Kofola ČeskoSlovensko a.s. and Studenac d.o.o. on 1.2.2017,
- accounting services agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 2.1.2018,
- accounting services agreement concluded between Kofola ČeskoSlovensko a.s. and UGO trade s.r.o. on 2.1.2018,
- accounting, financial, administrative and management services agreement concluded between Kofola ČeskoSlovensko a.s. and AETOS a.s. on 2.1.2019,
- service agreement (controlling, financial, purchasing activities) concluded between Kofola ČeskoSlovensko a.s. and SANTA-TRANS s.r.o. on 1.12.2018, as amended on 1.1.2020,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 7.5.2021,
- agreement on reimbursement of costs in Kofola Group senior management long-term remuneration program concluded between Kofola ČeskoSlovensko a.s. and SANTA-TRANS s.r.o. on 1.6.2021,
- agreement on reimbursement of costs in Kofola Group senior management long-term remuneration program concluded between Kofola ČeskoSlovensko a.s. and UGO trade s.r.o. on 1.6.2021,
- agreement on reimbursement of costs in Kofola Group senior management long-term remuneration program concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.6.2021,
- agreement on reimbursement of costs in Kofola Group senior management long-term remuneration program concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 1.6.2021,
- agreement on reimbursement of costs in Kofola Group senior management long-term remuneration program concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 1.6.2021.
- car rental agreement concluded between UGO trade s.r.o. and Kofola ČeskoSlovensko a.s. on 29.6.2021,
- master service agreement and contract of mandate concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ), Kofola a.s. (SK), ONDRÁŠOVKA a.s., Karlovarská Korunní s.r.o., UGO trade s.r.o., LEROS, s.r.o., Premium Rosa Sp. z o.o., RADENSKA d.o.o., SANTA-TRANS s.r.o., Brute s.r.o. on 2.1.2021, as amended on 1.7.2021,25.I.24,25.III.24,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 15.7.2021,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 15.11.2021,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and UGO trade s.r.o. on 1.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 1.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.1.2022,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 1.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and F.H.Prager s.r.o. on 1.1.2022,

- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 10.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 14.1.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 1.2.2022,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 18.2.2022,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 25.2.2022,
- share purchase agreement concluded between Kofola ČeskoSlovensko a.s. and RADENSKA d.o.o. on 7.3.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 15.3.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 4.4.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 29.4.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 6.5.2022,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 12.5.2022,
- car rental agreement concluded between Kofola a.s. (SK) and Kofola ČeskoSlovensko a.s. on 8.7.2022,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 19.7.2022,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and FH Prager on 3.8.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 21.10.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 1.12.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.12.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Premium Rosa Sp. z o.o. on 1.12.2022,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 1.12.2022,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.1.2023,
- car rental agreement concluded between UGO trade s.r.o. and Kofola ČeskoSlovensko a.s. on 16.1.2023,
- contract for the transfer of rights to trademark applications concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 19.1.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 24.1.2023,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 1.2.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.2.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 1.2.2023,
- car purchase agreement concluded between Kofola ČeskoSlovensko a.s. and SANTA-TRANS s.r.o. on 21.2.2023,
- car rental agreement concluded between LEROS, s.r.o. and Kofola ČeskoSlovensko a.s. on 9.3.2023,
- car rental agreement concluded between LEROS, s.r.o. and Kofola ČeskoSlovensko a.s. on 10.3.2023,
- car rental agreement concluded between LEROS, s.r.o. and Kofola ČeskoSlovensko a.s. on 20.3.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 17.5.2023,

- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and LEROS, s.r.o. on 24.5.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (SK) on 1.6.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 1.8.2023,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 27.9.2023,
- car rental agreement concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ) on 26.10.2023,
- framework agreement - use of the Kofola Group´s fleet concluded between Kofola ČeskoSlovensko a.s. and Kofola a.s. (CZ), Kofola a.s. (SK), LEROS, s.r.o., Leros Slovakia, s.r.o., UGO trade s.r.o. on 1.1.2021, as amended on 1.1.2022,1.11.2022 and 1.11.2023,
- car rental agreement concluded between Kofola a.s. (CZ) and Kofola ČeskoSlovensko a.s. on 1.11.2023,
- loan agreement concluded between Kofola ČeskoSlovensko a.s. and PRAGEROVY SADY LIBINA on 24.11.2023,
- share purchase agreement in relation to share in Bilgola fresh s.r.o. concluded between Kofola ČeskoSlovensko a.s. and Marek Farník on 22.12.2023.

All described contractual relationships between the Company and controlling entity or controlled entities were established under standard contractual terms and conditions when the agreed and provided performance or consideration corresponded to the conditions of a standard business relation. Some transactions were realized based on purchase orders or oral agreements.

7.7. ASSESSMENT OF ADVANTAGES AND DISADVANTAGES ARISING FROM RELATIONS BETWEEN RELATED ENTITIES

Controlled entity has advantages from relations with Group entities coming mainly from synergies from optimisation of processes and costs throughout the Group and from possibility to exploit access to financial, knowledge and technical potential of individual entities.

Controlled entity has no disadvantages from relations with Group entities.

The Company is not exposed to any specific risk from relations with Group entities except those arising from standard participation in international business group.

The Company has not suffered loss from contracts and agreements concluded in the Indicated period between the Company and other Group companies, or from other acts and measures that were concluded by the Company in the Indicated period based on instruction or in the interest of other Group entities.

In Ostrava, on 28 March 2025

René Musila Vice-Chair of the Board of Directors	Martin Pisklák Member of the Board of Directors

9. STATUTORY DECLARATION

Statutory declaration of persons responsible for the Annual report of Kofola ČeskoSlovensko a.s.

To the best of our knowledge, the Separate Financial Statements and the Consolidated Financial Statements of Kofola ČeskoSlovensko a.s. („issuer“) and its Group for the reported year ended 31 December 2024, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position, and results of operations of the issuer and the entities included in the consolidation taken as a whole, and the Consolidated Annual Financial Report under the accounting law gives a true and fair view of the development and performance of the issuer and the position of the issuer and the entities included in the consolidation as a whole, including a description of the principal risks and uncertainties that they face.

SIGNATURES OF THE COMPANY'S REPRESENTATIVES

21.5.2025	**Janis Samaras**	**Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**René Musila**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Daniel Buryš**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Pisklák**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Marián Šefčovič**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*

10. INDEPENDENT AUDITOR'S REPORT

KPMG Česká republika Audit, s.r.o.
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This document is an unsigned version of an independent auditor's report that we issued on 21 May 2025 on the statutory separate and consolidated financial statements included in the annual financial report of Kofola ČeskoSlovensko a.s., prepared in accordance with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements. The accompanying annual financial report has not been prepared in accordance with the ESEF Regulation and therefore does not represent a statutory annual financial report. Consequently, neither it nor this copy of the auditor's report is a legally binding document. We did not audit the consistency of the accompanying annual financial report with the statutory and legally binding annual financial report under the ESEF Regulation in Czech, and therefore we do not provide an opinion on the accompanying annual financial report.

Independent Auditor's Report

to the Shareholders of Kofola ČeskoSlovensko a.s.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kofola ČeskoSlovensko a.s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information. Information about the Group is set out in Note 2 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trademarks

As at 31 December 2024, the carrying amount of Trademarks and other rights: MCZK 1 591; related impairment loss: nil;

Refer to significant accounting policies, section 3.5.4 and 3.5.5 and chapter 4.11 of the notes to the consolidated financial statements.

Description of key audit matter

Included within intangible assets are trademarks with both finite and indefinite useful life (such as, primarily, Kofola, Radenska, Vinea, ONDRÁŠOVKA, Karlovarská Korunní trademarks). Pursuant to the relevant provisions of the financial reporting standards, annual impairment testing is required for intangible assets with an indefinite useful life, irrespective of whether or not any impairment triggers were identified for such assets.

In estimating the recoverable amount of the assets in question, the Group applied the relief from royalty method to arrive at their estimated fair value. A complex model is applied in the impairment test, relying on adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Significant judgment is required in making key assumptions applied in the model, including those in respect of royalty rate, growth rate, terminal growth rate and discount rate.

Complex models using forward-looking assumptions tend to be prone to greater risk of management bias, error and inconsistent application. These conditions necessitate our additional attention in the audit, in particular to address the objectivity of sources used for assumptions, and their consistent application.

In addition, for particular trademarks, the Group applied the option stipulated in the financial reporting standards allowing not to re-estimate the recoverable amount provided certain conditions are met. In these instances, the recoverable amount from the prior year can be used in the current year impairment testing. Applying these conditions also requires management judgement.

Due to the above factors, this area required our increased attention in the audit and was considered by us to be a key audit matter.

Our audit approach to the key audit matter

Our audit procedures in the area included, among other things:

- consideration of the appropriateness of the method and model applied by the Group in performing the annual impairment test, against the relevant requirements of the financial reporting standards;
- assessment of the integrity of the impairment model, including the accuracy of the underlying calculation formulas;
- evaluating the design and implementation of selected internal controls within the impairment process, including those relating to the management's review and validation of the key assumptions underlying the impairment model and the outcome of the testing;

- assessment of the appropriateness of the level (CGU vs. individual asset) at which the assets were tested for impairment, based on our understanding of the assets in question and the Group's operations;
- evaluation of the quality of the Group's forecasting by comparing historical projections with current year's actual outcomes;
- Assisted by our own valuation specialists, challenging the Group's key assumptions and judgments used in estimating the assets' recoverable amount, including:
  - discount rate - by reference to publicly available market inputs, such as risk-free rate, size premium, inflation and country premium;
  - other key assumptions such as royalty rate, growth rate and terminal growth rate - to publicly available market information and the Management Board-approved forecasts, challenged by us by reference to the Group's supporting documentation and via corroborating inquiries of the Management Board;
  - we also assessed whether the forecast revenues applied in the model properly excluded the amounts not associated with the trademarks in question.
- consideration of the sensitivity of the impairment model and its outcome to reasonably possible changes in the key assumptions, such as discount rate, revenues and growth rate, to identify the assumptions at higher risk of bias or inconsistency in application;
- challenging the management's evaluation of conditions for applying the option allowing not to re-estimate the recoverable amount for particular trademarks and use the prior year(s) recoverable amount for the current year impairment testing, mainly focusing on:
  - lack of observable indications that the asset's value has declined during the period significantly;
  - lack of significant changes with an adverse effect on the Group, which have taken place during the period, or will take place in the near future;
  - evaluating, assisted by our own valuation specialists, that no components of discount rate changed significantly leading to an increase in discount rate used in calculating an asset's fair value and decrease the asset's recoverable amount materially;
  - lack of evidence from internal reporting indicating that the economic performance of an asset is, or will be, worse than expected;
- assessment of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

Acquisition of subsidiary PIVOVARY CZ Group a.s and FONTÁNA PCZG s.r.o.

The total acquisition-date fair value of identifiable net assets of the Pivovary CZ Group a.s. and Fontana PCZG s.r.o.: MCZK 1 568; the carrying amount of related goodwill: MCZK 119; and the non-controlling interest: MCZK 278.

Refer to significant accounting policies, section 3.4.1 and 3.5.3 and chapter 4.29 of the notes to the consolidated financial statements.

Description of key audit matter

On 8 March 2024, the Group acquired a 51% equity stake in Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o., which together represent one cash-generating unit. The remaining 49% equity stake was acquired by minority shareholders as part of the same transaction.

The relevant provisions of IFRS EU impose a number of requirements on companies acquiring controlling interests in other businesses. These requirements include determining whether and when control over the acquiree is obtained, the purchase consideration/cost of the investment and the identifiable net assets acquired, as well as measuring the acquisition-date fair values of those net assets.

The above acquisition involved particular complexity due to the following significant management judgments:

- identification of assets (including intangible assets) acquired and liabilities assumed through the business combination;
- fair valuation of assets acquired, particularly of property, plant and equipment and intangible assets (trademarks), which are based on some key input data and assumptions (related to e.g. long term growth rate, royalty rate, tax and discount rates etc.).

Due to the above factors, this area required our increased attention in the audit and was considered by us to be a key audit matter.

Our audit approach to the key audit matter

Our audit procedures in the area included, among other things:

- evaluating the design and implementation of internal controls relating to business acquisition accounting;
- inspecting the share purchase agreement pertaining to the acquisition and shareholders' agreement, with a focus on identifying the specific clauses impacting the determination and recognition of the purchase price;
- challenging the Group's determination, whether or not control was obtained over the acquirees, by reference to the underlying share purchase agreement, shareholders' agreement and other relevant evidence;
- With assistance from our internal valuation specialists:
  - we assessed completeness of the acquired identifiable assets, based on our understanding of acquirees' operations and the analysis of their financial information and accounting records, as well as the share purchase agreement, supported by inquiries to the relevant personnel of the Group;
  - we challenged the appropriateness of the valuation methods applied to determine the acquisition-date fair values of identifiable assets, with reference to commonly used valuation

methods and the relevant requirements of financial reporting standards;

- we challenged key valuation assumptions such as discount and long term growth rates and weighted average cost of capital by reference to publicly available market information;
- we assessed reasonability of forecasts used in valuation of assets acquired, such as projected sales and long term growth rates, comparing to historical data of Pivovary CZ Group a.s. and other external sources (where appropriate);
- we assessed susceptibility of the fair valuation models and their outcome to management bias, by challenging the Group's analysis of the models' sensitivity to changes in key underlying assumptions (discount rate, growth rate);

– We assessed adequacy of the disclosures in the consolidated financial statements against the relevant requirements of the financial reporting standards.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information excluding the sustainability report has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information excluding the sustainability report in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- the other information excluding the sustainability report has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Consolidated Financial Statements

The statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board, in collaboration with Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. ¨
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying separate financial statements of Kofola ČeskoSlovensko a.s. ("the Company"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the separate statement of financial position as at 31 December 2024, and the separate statement of profit or loss, the separate statement of other comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, and notes to the separate financial statements, comprising material accounting policies and other explanatory information. Information about the Company is set out in Note 2 to the separate financial statements.

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2024, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trademarks

As at 31 December 2024, the carrying amount of Trademarks and other rights: MCZK 233; related impairment loss: nil;

Refer to significant accounting policies, section 3.4.4 and 3.4.7 and chapter 4.11 of the notes to the separate financial statements.

Description of key audit matter

Included within intangible assets are trademarks with both finite and indefinite useful life (such as, primarily, Kofola and Semtex trademarks). Pursuant to the relevant provisions of the financial reporting standards, annual impairment testing is required for intangible assets with an indefinite useful life, irrespective of whether or not any impairment triggers were identified for such assets.

In 2024, the Company applied the option stipulated in the financial reporting standards allowing not to re-estimate the recoverable amount provided certain conditions are met. In these instances, the recoverable amount from the prior years can be used in the current year impairment testing. Applying these conditions requires management judgement.

In estimating the recoverable amount of the assets in question, the Company applied the relief from royalty method to arrive at their estimated fair value in the prior year. A complex model was applied in the impairment test, relying on adjusted historical performance, and a range of internal and external sources as inputs to the assumptions.

Due to the above factors, this area required our increased attention in the audit and was considered by us to be a key audit matter.

Our audit approach to the key audit matter

Our audit procedures in the area included, among other things:

- consideration of the appropriateness of the method and model applied by the Company in performing the annual impairment test, against the relevant requirements of the financial reporting standards;
- assessment of the integrity of the impairment model, including the accuracy of the underlying calculation formulas;
- evaluating the design and implementation of selected internal controls within the impairment process, including those relating to the management's review and validation of the key assumptions underlying the impairment model and the outcome of the testing;
- assessing the appropriateness of the level (CGU vs. individual asset) at which the assets were tested for impairment, based on our understanding of the assets in question and the Company's operations;
- evaluation of the quality of the Company's forecasting by comparing historical projections with current year's actual outcomes;
- consideration of the sensitivity of the impairment model and its outcome to reasonably possible changes in the key assumptions, such as discount rate, revenues and growth rate, to identify the assumptions at higher risk of bias or inconsistency in application;
- challenging the management's evaluation of conditions for applying the option allowing not to re-estimate the recoverable amount for particular trademarks and use the prior year recoverable amount for the current year impairment testing, mainly focusing on:
  - lack of observable indications that the asset's value has declined during the period significantly,
  - lack of significant changes with an adverse effect on the Company, which have taken place during the period, or will take place in the near future,
  - evaluating, assisted by our own valuation specialists, that no components of discount rate changed significantly leading to an increase in discount rate used in calculating an asset's fair value and decrease the asset's recoverable amount materially,

  - lack of evidence from internal reporting indicating that the economic performance of an asset is, or will be, worse than expected;
- assessment of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual financial report ("the annual report") other than the separate and the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information. In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information excluding the sustainability report has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information excluding the sustainability report in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters that are also presented in the separate financial statements is, in all material respects, consistent with the separate financial statements; and
- the other information excluding the sustainability report has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board, in collaboration with Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. ¨

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information in our independent auditor´s report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 28 June 2021 and our uninterrupted engagement has lasted for 7 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 16 May 2024 in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

In addition to the statutory audit, the following services were provided by us to the Company and its controlled undertakings that have not been disclosed in notes to the consolidated financial statements or consolidated annual report:

Name	Description of services provided
Kofola ČeskoSlovensko a.s.	Work related to report on remuneration
Radenska d.o.o.	Work related to report on relations

Report on Compliance with the ESEF Regulation

We have undertaken a reasonable assurance engagement on the compliance of all financial statements included in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation"), related to the financial statements.

Responsibilities of the Statutory Body

The Company's statutory body is responsible for the preparation of financial statements that comply with the ESEF Regulation. This responsibility includes:

- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation;
- the preparation of all financial statements included in the annual report in the applicable XHTML format; and
- the selection and application of XBRL mark-ups as required by the ESEF Regulation.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements included in the annual report comply, in all material respects, with the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International

Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The nature, timing and extent of procedures selected depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but is not a guarantee that an assurance engagement conducted in accordance with the above standard will always detect any existing material non-compliance with the ESEF Regulation.

Our selected procedures included:

- obtaining an understanding of the requirements of the ESEF Regulation;
- obtaining an understanding of the Company's internal control relevant to the application of the ESEF Regulation;
- identifying and assessing the risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- based on the above, designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The objective of our procedures was to evaluate whether:

- the financial statements included in the annual report were prepared in the applicable XHTML format;
- the disclosures in the consolidated financial statements as specified in the ESEF Regulation were marked up, with all mark-ups meeting the following requirements:
    - the XBRL mark-up language was used;
    - the elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with the ESEF Regulation; and
    - the mark-ups complied with the common rules on mark-ups specified in the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2024 included in the annual report are, in all material respects, in compliance with the ESEF Regulation.

Other Matter

Given the possible technical limitations of the tools used in preparing the consolidated financial statements in compliance with the requirements of the ESEF Regulation, the content of some block tags in the machine-readable format of the notes to these consolidated financial statements may not be reproducible in the same form as in the human-readable layer of the audited consolidated financial statements.

Statutory Auditor Responsible for the Engagement

Blanka Dvořáková is the statutory auditor responsible for the audit of the separate and the consolidated financial statements of Kofola ČeskoSlovensko a.s. as at 31 December 2024, based on which this independent auditor's report has been prepared.

Prague
21 May 2025

KPMG Česká republika Audit, s.r.o.
Registration number 71

UNSIGNED VERSION

Blanka Dvořáková
Partner
Registration number 2031

CONSOLIDATED FINANCIAL STATEMENTS 2024

KOFOLA ČESKOSLOVENSKO A.S.

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Consolidated statement of profit or loss	Note	2024	2023
		CZK´000	CZK´000
Revenue	4.2	11,081,953	8,690,103
Cost of sales	4.3	(6,037,140)	(4,802,651)
Gross profit		**5,044,813**	**3,887,452**
Selling, marketing and distribution costs	4.3	(3,201,001)	(2,487,765)
Administrative costs	4.3	(705,866)	(707,052)
Other operating income	4.4	271,889	89,917
Other operating expenses	4.5	(166,779)	(35,349)
Operating profit/(loss)		**1,243,056**	**747,203**
Finance income	4.6	46,197	34,256
Finance costs	4.7	(361,470)	(295,532)
Share of profit/(loss) of equity accounted investees	4.12	(482)	(3,985)
Profit/(loss) before income tax		**927,301**	**481,942**
Income tax (expense)/benefit	4.8	(274,149)	(112,965)
Profit/(loss) for the period	1.2	**653,152**	**368,977**
Attributable to:			
Owners of Kofola ČeskoSlovensko a.s.	1.5	597,892	365,397
Non-controlling interests	1.5	55,260	3,580
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	26.82	16.39

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

1.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Consolidated statement of other comprehensive income	Note	2024	2023
		CZK´000	CZK´000
Profit/(loss) for the period	1.1	**653,152**	**368,977**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences		**16,263**	**28,882**
Exchange differences on translation of foreign subsidiaries		13,842	27,221
Exchange differences on translation of foreign equity accounted investees		2,421	1,661
Derivatives accounted through Other comprehensive income		**(17,151)**	**(60,478)**
Derivatives - Cash flow hedges		(21,710)	(74,384)
Deferred tax from Cash flow hedges	4.8	4,559	13,906
Other comprehensive income/(loss) for the period, net of tax		**(888)**	**(31,596)**
Total comprehensive income/(loss) for the period	1.5	**652,264**	**337,381**
Attributable to:			
Owners of Kofola ČeskoSlovensko a.s.	1.5	597,004	333,801
Non-controlling interests	1.5	55,260	3,580

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 December 2024 and 31 December 2023 in CZK thousand.

Assets	Note	31.12.2024	31.12.2023
		CZK´000	CZK´000
Non-current assets		**7,246,172**	**5,130,248**
Property, plant and equipment	4.10	4,410,318	3,113,262
Investment properties		31,760	-
Goodwill	4.11	780,942	662,318
Intangible assets	4.11	1,668,805	1,159,796
Investments in equity accounted investees	4.12	190,580	75,696
Other receivables	4.14	109,585	80,569
Deferred tax assets	4.8	54,182	38,607
Current assets		**3,626,843**	**2,897,353**
Inventories	4.13	941,884	706,191
Trade and other receivables	4.14	1,451,404	1,119,938
Income tax receivables		3,556	125
Cash and cash equivalents	4.15	1,229,999	1,071,099
Total assets		**10,873,015**	**8,027,601**

Liabilities and equity	Note	31.12.2024	31.12.2023
		CZK´000	CZK´000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1.5	**1,690,641**	**1,457,845**
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	2,663,179	2,614,776
Foreign currency translation reserve	1.5	15,070	(1,193)
Own shares	1.5	(451,115)	(467,382)
Retained earnings/(Accumulated deficit)	1.5	311,781	159,918
Equity attributable to non-controlling interests	1.5	**333,367**	**5**
Total equity	1.5	**2,024,008**	**1,457,850**
Non-current liabilities		**4,739,869**	**3,762,652**
Bank credits and loans	4.18	3,692,064	3,153,945
Lease liabilities	4.22	299,390	215,891
Provisions	4.17	74,053	51,505
Other liabilities	4.19	229,700	76,847
Deferred tax liabilities	4.8	444,662	264,464
Current liabilities		**4,109,138**	**2,807,099**
Bank credits and loans	4.18	1,076,981	447,315
Lease liabilities	4.22	115,236	113,652
Provisions	4.17	223,461	182,248
Trade and other payables	4.19	2,581,917	1,982,385
Income tax liabilities		111,543	81,499
Total liabilities		**8,849,007**	**6,569,751**
Total liabilities and equity		**10,873,015**	**8,027,601**

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

1.4. CONSOLIDATED STATEMENT OF CASH FLOWS

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Consolidated statement of cash flows	Note	2024	2023
		CZK´000	CZK´000
Cash flows from operating activities*			
Profit/(loss) before income tax	1.1	927,301	481,942
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.3	674,076	540,421
Net interest	4.6, 4.7	294,142	242,935
Share of result of equity accounted investees, net of tax	4.12	482	3,985
Impairment/(Release of impairment) of non-current assets	4.10.1	9,560	-
Change in the balance of provisions	4.17	56,062	98,846
Change in the balance of other impairments		(20,262)	12,674
Derivatives	4.6, 4.7	(35,495)	(19,752)
Realised (gain)/loss on sale of Property, plant and equipment and Intangible assets	4.4, 4.5	(8,181)	(40,502)
Net exchange differences		32,062	23,311
Share based payment	4.21	81,821	158,512
Other		(49,629)	702
Cash movements			
Income taxes paid		(283,523)	(83,644)
Change in operating assets and liabilities			
Change in receivables		(152,876)	(74,731)
Change in inventories		(56,240)	64,522
Change in payables		206,786	75,429
Net cash inflow/(outflow) from operating activities		**1,676,086**	**1,484,650**
Cash flows from investing activities			
Sale of Property, plant and equipment		31,888	7,340
Sale of the closed Grodzisk Wielkopolski plant		-	119,025
Acquisition of Property, plant and equipment and Intangible assets		(824,647)	(417,083)
Acquisition of subsidiaries, net of cash acquired		(1,438,403)	(22,677)
Acquisition of equity accounted investees		(115,000)	(40,424)
Interest received		10,144	211
Loans granted		(1,200)	(4,870)
Proceeds from repaid loans		-	500
Capital contributions**		-	(38,083)
Other		1,400	-
Net cash inflow/(outflow) from investing activities		**(2,335,818)**	**(396,061)**
Cash flows from financing activities			
Lease payments	4.26.1	(147,215)	(137,343)
Proceeds from loans and bank credits	4.26.1	1,599,005	285,807
Repayment of loans and bank credits	4.26.1	(317,809)	(294,868)
Dividends paid to Company´s shareholders		(449,830)	(286,601)
Interest paid		(293,666)	(240,528)
Realised derivatives	4.6, 4.7	35,495	19,752
Terminated derivatives	4.6, 4.7	-	-
Dividends not drawn		-	-
Transaction costs connected with loan financing		-	-
Capital contributions		392,000	
Other		(8,324)	(2,510)
Net cash inflow/(outflow) from financing activities		**809,656**	**(656,291)**
Net increase/(decrease) in cash and cash equivalents		**149,924**	**432,298**
Cash and cash equivalents at the beginning of the period	1.3	**1,071,099**	**626,442**
Effects of exchange rate changes on cash and cash equivalents		8,976	12,359
Cash and cash equivalents at the end of the period	1.3	**1,229,999**	**1,071,099**

** 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.
*** Capital contribution to PIVOVARY TRIANGL s.r.o.*

1. CONSOLIDATED FINANCIAL STATEMENTS

1.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 12-month period ended 31 December 2024 and 31 December 2023 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	Interest rate swaps	Share based payment	Other funds	Foreign currency translation reserve	Own shares	Retained earnings/ (Accumulated deficit)	Total		
		CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Balance as at 1 January 2024		**1,114,597**	**(1,962,871)**	**8,935**	**177,079**	**2,428,762**	**(1,193)**	**(467,382)**	**159,918**	**1,457,845**	**5**	**1,457,850**
Profit/(loss) for the period	1.1	-	-	-	-	-	-	-	597,892	**597,892**	55,260	**653,152**
Other comprehensive income/(loss)	1.2	-	-	(17,151)	-	-	16,263	-	-	**(888)**	-	**(888)**
Total comprehensive income/(loss) for the period		**-**	**-**	**(17,151)**	**-**	**-**	**16,263**	**-**	**597,892**	**597,004**	**55,260**	**652,264**
Dividends	4.16.4	-	-	-	-	-	-	-	(446,601)	**(446,601)**	-	**(446,601)**
Share based payment	4.21	-	-	-	81,821	-	-	-	-	**81,821**		**81,821**
Share transfer to SBP participants	4.16.2	-	-	-	(16,267)	-	-	16,267	-	**-**	-	**-**
Acquisition of subsidiary		-	-	-	-	-	-	-	-	**-**	278,102	**278,102**
Dividends not collected		-	-	-	-	-	-	-	572	**572**	-	**572**
Transactions with owners in their capacity as owners		**-**	**-**	**-**	**65,554**	**-**	**-**	**16,267**	**(446,029)**	**(364,208)**	**278,102**	**(86,106)**
Balance as at 31 December 2024		**1,114,597**	**(1,962,871)**	**(8,216)**	**242,633**	**2,428,762**	**15,070**	**(451,115)**	**311,781**	**1,690,641**	**333,367**	**2,024,008**

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

Dividend distribution

The General Meeting of Kofola ČeskoSlovensko a.s held on 28 June 2024 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand (CZK 286,601 thousand in the Group financial statements due to shares owned by RADENSKA).

The Board of Directors of Kofola ČeskoSlovensko a.s has decided on the payment of a dividend advance of CZK 7.5 per share on 8 October 2024.

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	Interest rate swaps	Share based payment	Other funds	Foreign currency translation reserve	Own shares	Retained earnings/ (Accumulated deficit)	Total		
		CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Balance as at 1 January 2023		**1,114,597**	**(1,962,871)**	**69,413**	**18,567**	**2,428,762**	**(30,075)**	**(467,382)**	**161,354**	**1,332,365**	**(44,736)**	**1,287,629**
Profit/(loss) for the period	1.1	-	-	-	-	-	-	-	365,397	**365,397**	3,580	**368,977**
Other comprehensive income/(loss)	1.2	-	-	(60,478)	-	-	28,882	-	-	**(31,596)**	-	**(31,596)**
Total comprehensive income/(loss) for the period		**-**	**-**	**(60,478)**	**-**	**-**	**28,882**	**-**	**365,397**	**333,801**	**3,580**	**337,381**
Dividends	4.16.4	-	-	-	-	-	-	-	(286,601)	**(286,601)**	-	**(286,601)**
Share based payment	4.21	-	-	-	158,512	-	-	-	-	**158,512**	-	**158,512**
Acquisition of NCI without change in control			-	-	-	-	-	-	(80,718)	**(80,718)**	41,156	**(39,562)**
Acquisition of subsidiary with NCI		-	-	-	-	-	-	-	-	**-**	5	**5**
Dividends not collected		-	-	-	-	-	-	-	486	**486**	-	**486**
Transactions with owners in their capacity as owners		**-**	**-**	**-**	**158,512**	**-**	**-**	**-**	**(366,833)**	**(208,321)**	**41,161**	**(167,160)**
Balance as at 31 December 2023		**1,114,597**	**(1,962,871)**	**8,935**	**177,079**	**2,428,762**	**(1,193)**	**(467,382)**	**159,918**	**1,457,845**	**5**	**1,457,850**

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

Dividend distribution

The General Meeting held outside of the meeting during 4 – 19 September 2023 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand (CZK 286,601 thousand in the Group financial statements due to shares owned by RADENSKA).

2. GENERAL INFORMATION

2.1. CORPORATE INFORMATION

GENERAL INFORMATION

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: 3157005DO9L5OWHBQ359. Company's principal place of business is Ostrava.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2024 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.

Kofola ČeskoSlovensko a.s. is the parent of the Kofola Group. Besides the traditional markets of the Czech Republic and Slovakia, the Group is also present in Slovenia, Croatia and in Poland. The Group produces drinks in fourteen production plants and key trademarks include Kofola, Jupí, Jupík, Rajec, Radenska, Semtex energy drink, Vinea, Ondrášovka and Korunní. On selected markets, the Group distributes among others Rauch, Evian, Café Reserva and Dilmah products and under the licence produces Royal Crown Cola or Orangina.

Besides traditional non-alcoholic drink segment, Group is also entering new smaller segments through the acquisition of coffee plantations and apple orchards, but with its latest acquisition of Pivovary CZ Group a.s. realized in March 2024, at is also entering the beer segment. The key trademarks now also include Zubr, Holba and Litovel.

Based on the information known to the Board of Directors of the Company acting with due care, the ultimate parent of the Company is Lykos alfa a.s. Lykos alfa a.s. is also an ultimate parent of the Group. The ownership structure is described in section 4.24.1.

Stock exchange listing

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

MANAGEMENT

As at 31 December 2024, 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

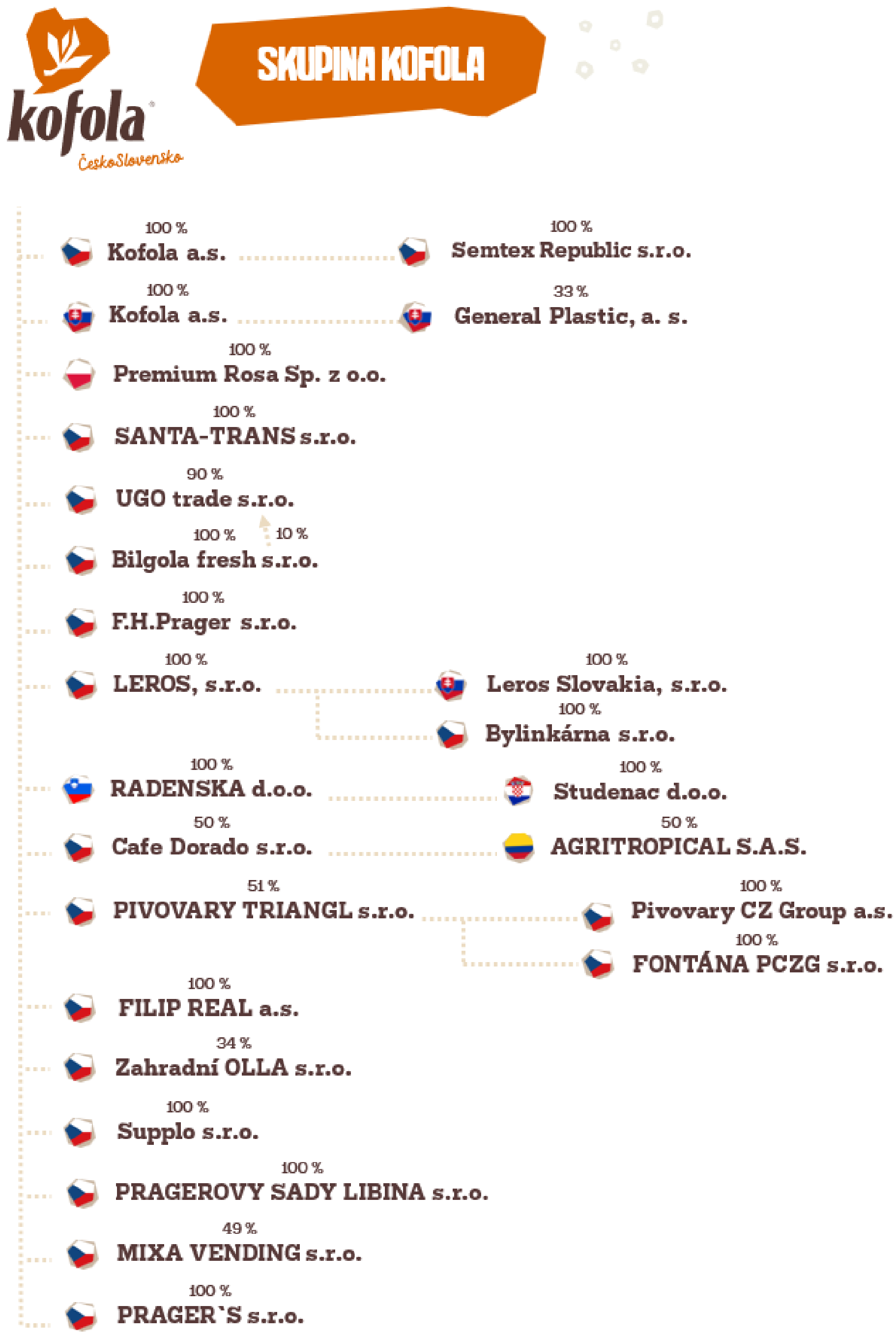
- Zuzana Prokopcová – Chair

2. GENERAL INFORMATION

- Petr Šobotník
- Lenka Frostová

2.2. GROUP STRUCTURE

Group structure chart as at 31 December 2024



2. GENERAL INFORMATION

Description of the group companies

Name of entity	Place of business	Segment Section B.4.1	Principal activities	Ownership interest and voting rights 31.12.2024	Ownership interest and voting rights 31.12.2023
Holding companies					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company		
Cafe Dorado s.r.o.1	Czech Republic	n/a	holding company	50.00%	50.00%
PIVOVARY TRIANGL s.r.o.3	Czech Republic	Beers & Ciders	holding company	51.00%	51.00%
Bilgola fresh s.r.o.[5]	Czech Republic	n/a	holding company	100.00%	100.00%
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.[6]	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	Beers & Ciders	production and distribution of ciders and kombucha	100.00%	100.00%
Semtex Republic s.r.o.	Czech Republic	CzechoSlovakia	marketing activities	100.00%	100.00%
Zahradní OLLA s.r.o.2	Czech Republic	n/a	production and distribution of self-watering clay pots	34.00%	34.00%
FILIP REAL a.s.3	Czech Republic	CzechoSlovakia	hotel operation	100.00%	100.00%
Bylinkárna s.r.o.	Czech Republic	Fresh & Herbs	products completion and packaging	100.00%	100.00%
General Plastic, a. s.4	Slovakia	n/a	production of hot-washed PET flakes and PET preforms	33.33%	33.33%
AGRITROPICAL S.A.S.5	Colombia	n/a	coffee plantations	25.00%	25.00%
PIVOVARY CZ Group a.s.7	Czech Republic	Beers & Ciders	production and distribution of traditional beer brands Zubr, Holba and Litovel	51%	n/a
FONTÁNA PCZG s.r.o.7	Czech Republic	Beers & Ciders	wholesale of beer and soft drinks	51%	n/a
Supplo s.r.o.8	Czech Republic	CzechoSlovakia	B2B sales of products and services through the Marketplace model	100%	n/a
PRAGEROVY SADY LIBINA s.r.o.8	Czech Republic	Fresh & Herbs	apple orchards	100%	n/a
MIXA VENDING s.r.o.8	Czech Republic	CzechoSlovakia	vending machines operator	49%	n/a
PRAGER's s.r.o.7	Czech Republic	Beers & Ciders	production of fermented beverages	100%	n/a
Transportation					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

1 Established in Jun 2023. 2 Acquired in Sep 2023. 3 Established in Nov 2023. 4 Acquired in May 2023. [5] Acquired in Dec 2023. [6] Effective share of Kofola Group in UGO trade s.r.o. is 100% after the acquisition of Bilgola fresh s.r.o. in Dec 2023. [7] Established/acquired in March 2024. [8] Established/acquired in Jan 2024.

3. MATERIAL 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, as adopted by the European Union ("IFRS Accounting Standards"), 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 2024.

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 share-based payments measured at grant date fair value and contingent consideration relating to business combinations at fair value.

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 year ended 31 December 2024 and the year ended 31 December 2023 (comparatives).

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 Accounting Standards 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 individual financial statements of Group entities:

Closing exchange rates	31.12.2024	31.12.2023
CZK/EUR	25.185	24.725
CZK/PLN	5.890	5.694

Average exchange rates	1.1.2024 - 31.12.2024	1.1.2023 - 31.12.2023
CZK/EUR	25.119	24.007
CZK/PLN	5.834	5.290

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

3.4.1 SUBSIDIARIES

General methods

Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and initially recognized non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share of the acquired carrying value of net assets of the subsidiary is recorded in retained earnings. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value as at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3.4.2 ASSOCIATES AND EQUITY ACCOUNTED INVESTEES

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint venture or Joint operation is an investment where the Group has a joint control over the investment. Equity accounted investees are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition. The Group's investment in equity accounted investees includes goodwill identified on acquisition.

If the ownership interest is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in profit or loss and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an investment equals or exceeds its interest in the investment, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investment.

The foreign investments are retranslated using foreign exchange rate valid at the balance sheet date and any resulting difference is recognised in Other comprehensive income.

The Group determines as at each reporting date whether there is any objective evidence that the investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount adjacent to share of profit/(loss) of investment in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments. Unrealised gains and losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.5. ACCOUNTING METHODS

3.5.1 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. Items acquired in a business combination are measured at their acquisition-date fair values. The costs of non-current assets consist of their acquisition price plus all costs directly associated with the asset's acquisition and adaptation for use. The costs also include the cost of replacing parts of machines and equipment as they are incurred, if the recognition criteria are met. Costs incurred after the asset is given over for use, such as maintenance and repairs, are charged to the income statement as they are incurred.

If circumstances occurred during the preparation of the financial statements indicating that the carrying value of item of property, plant and equipment may not be recoverable, the said asset is tested for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there are indications that impairment might have occurred, and the balance sheet value exceeds the estimated recoverable amount, then the value of those assets or cash generating units to which the assets belong is reduced to the value of the recoverable amount. The recoverable value corresponds to the higher of the following two values: the fair value less costs of disposal, or the value in use. When determining value in use, the estimated future cash flows are discounted to the present value using a post-tax discount rate reflecting the current market assessments of the time value of money and the risk associated with the given asset component. If the asset component does not generate income sufficiently independently, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment write downs are recognised in the income statement under other operating costs or in the separate row if material.

A given tangible non-current asset is derecognised from the balance sheet when it is sold or if no economic benefits are anticipated from its continued use. All profits and losses arising from the derecognition (calculated as the difference between the potential proceeds from the sale and the balance sheet value of a given item) are recognised in the income statement in the period in which the derecognition was performed.

Assets under construction consist of non-current assets that are being constructed or assembled and are stated at acquisition price or cost of production. Non-current assets under construction are not depreciated until the construction is completed and the assets given over for use.

Returnable packages in circulation are recorded within property, plant and equipment at cost net of accumulated depreciation less any impairment loss. Returnable packages allocated at customers are covered by advances received and are further described in section 3.5.6. When the advances received are written-off, the respective returnable packages are derecognized.

The balance sheet value, the useful life and the depreciation method of non-current assets are verified, and, if need to be, adjusted, at the end of each financial year.

Items of income and expense related to sold property, plant and equipment are offset on individual company level.

Depreciation

Items of property, plant and equipment, or their significant and separate components, are depreciated using the straight-line method to allocate their costs to their residual values over their economic useful lives. Land is not depreciated. Depreciation of returnable packages is recorded to write them off over the course of their economic life. The Group assumes the following economic useful lives for the following categories of non-current assets:

Asset category	Useful life
Buildings and constructions	20 – 40 years
Technical improvement on leased property	9 years in average
Plant and equipment	2 – 15 years
Vehicles	4 – 10 years
Returnable packages	2 – 10 years

3.5.2 LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration on the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset (RoUA) and a lease liability at the lease commencement date. The RoUA is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The RoUA is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the RoUA reflects that the Group will exercise a purchase option. In that case the RoUA will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the RoUA is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses interest rate implicit in the lease for the vehicle leases and its incremental borrowing rate for other leases.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an

extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoUA, or is recorded in profit or loss if the carrying amount of the RoUA has been reduced to nil.

The Group presents RoUA that do not meet a definition of investment property in Property, plant and equipment and lease liabilities on separate rows in the statement of financial position.

The Group leases mainly the head office administrative building, premises for Fresh and Salad bars, production equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options or may be longer in case of rents of lands. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension options relate mainly to long-term contracts and in most cases are not expected to be utilized due to length of the period and associated future uncertainties in macroeconomic and microeconomic development.

Short-term leases and leases of low-value assets

The Group has elected not to recognise RoUA and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease paymets associated with the leases as an expense on a straight-line basis over the lease term.

3.5.3 GOODWILL

Goodwill is carried at cost less accumulated impairment losses, if any. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination.

Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment. Any impairment of goodwill cannot be subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

3.5.4 INTANGIBLE ASSETS

Intangible assets acquired in a separate transaction are initially stated at acquisition price or production costs. The acquisition price of intangible assets acquired in a business combination is equal to their fair value as at the date of the combination. After their initial recognition, intangible assets are stated at their historical price or production costs less accumulated amortisation and impairment write downs. Expenditures on internal research and development, except for capitalised development costs of identifiable intangible assets, are not capitalised and are recognised in the income statement of the period in which they were incurred.

The Group determines whether the economic useful life of an intangible asset is finite or indefinite. A significant part of the Group's intangible assets constitute trademarks, for most of them the Group has determined that they have an indefinite useful life. The Group companies are the owners of some of the leading trademarks in non-alcoholic and alcoholic beverages in Central Europe. As a result, these trademarks are generating positive cash flows and the Group owns the trademarks for the long term. The Board considered several factors and circumstances in concluding that these trademarks have indefinite useful lives, such as size, diversification and market share of each trademark, the trademark's past performance, long-term development strategy, any laws or other local regulations which may affect the life of the assets and other economic factors, including the impact of competition and market conditions. The Group's management expects that it will hold and promote trademarks for an indefinite period through marketing and promotional support. The trademarks with indefinite useful lives are tested for impairment at least annually. The Group has reassessed useful lives of assets with indefinite useful life and concluded that current events and circumstances continue to support an indefinite useful life assessment.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there are impairment indicators. Useful life and method of amortisation of intangible assets with finite lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are accounted for by changing the amortisation period or method and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset. Intangible assets with finite useful lives are assessed for impairment whenever there are impairment indicators.

Intangible assets are amortised using the straight-line method over their useful lives:

Asset category	Useful life
Software licences	3 - 16 years
Computer software	3 - 6 years
Other licences	5 - 7 years
Valuable rights	5 - 10 years

3.5.5 RECOVERABLE VALUE OF NON-FINANCIAL ASSETS

For its non-financial assets, except for inventory and deferred tax assets, the Group evaluates its assets whether indicators of impairment are present as at each balance sheet date. For goodwill and indefinite life intangible assets, the Group performs a formal estimate of the recoverable amount annually, for remaining assets the estimate is performed in case of presence of impairment indicators. If the carrying value of a given asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and written down to its recoverable amount. The recoverable amount corresponds to the higher of the following two values: the fair value less costs of disposal, or the value in use of a given asset or cash generating unit. When determining value in use, the estimated future cash flows are discounted to the present value using a post-tax discount rate reflecting the current market assessments of the time value of money and the risk associated with the given asset component. Impairment write downs are recognised in the income statement under other operating costs or in the separate row if material. The impairment loss recognised, except for impairment of goodwill, may be reversed in future periods if the asset's value recovers.

If there is any indication that an asset may be impaired, recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If there isn't any such cash-generating unit, as a CGU is considered the whole entity and any impairment loss is allocated to the particular entity's assets respecting the IFRS Accounting Standards requirements on order of the impairment loss allocation.

3.5.6 FINANCIAL INSTRUMENTS

Financial instrument is any formal agreement that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

The most significant assets that are subject to the financial instruments accounting policies are:

- derivative instruments (swap contracts),
- other financial receivables,
- trade receivables,
- cash.

The most significant liabilities that are subject to the financial instruments accounting policies:

- loan payables,
- derivative instruments (swap contracts),
- trade payables,
- advances received for the returnable packages,
- contingent/deferred consideration liabilities,
- lease liabilities.

The Group's financial assets/liabilities are classified to the following categories:

- measured at amortized costs,
- fair value through other comprehensive income (FVTOCI), and
- fair value through profit and loss (FVTPL).

Classification is based on the nature of the assets/liabilities and management intention. The Group classifies its assets/liabilities at their initial recognition.

Financial assets/liabilities

Financial assets are initially recognised at fair value, except for trade receivables which are initially recognised based on IFRS 15 transaction price. Their initial valuation is increased by transaction costs, with the exception of financial assets stated at fair value through profit or loss. The transaction costs payable in case of a possible disposal of the asset are not deducted from subsequent measurement of financial assets. The asset is recognised in the balance sheet when the Group becomes a party to the agreement (contract), out of which the financial asset arises.

Financial liabilities are initially recognised at fair value. Transaction costs are deducted from the amount at initial recognition, except for financial liabilities at fair value through the profit or loss. The transaction costs payable upon a transfer of a financial liability are not added to the subsequent valuation of financial liabilities. The financial liabilities are recognised in the balance sheet when the Group becomes a party to the agreement, out of which the financial liability arises.

Financial assets/liabilities measured at amortized costs

Financial assets measured at amortized costs include primarily trade receivables, bank deposits and other cash funds. Depending on their maturity date, they are included in non-current assets (assets due in more than 1 year after the end of the reporting period) or current assets (assets due within 1 year after the end of the reporting period). The assets included in this category are stated at amortised cost using the effective interest method.

Financial liabilities include primarily trade payables, advances received for the returnable packages, leases and loans. The liabilities included in this category are stated at amortised cost using the effective interest method.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial liabilities are measured at mortised costs under the effective interest method. Interest expense expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities include also advances received from customers for the returnable packages (e.g. bottles, crates, pallets, KEGs). These are recognized when the cash advance for the returnable packages is received. Such liabilities are derecognized when the returnable packages are returned to the Group. Liabilities from advances received for the returnable packages are payable on demand and as such are presented within current liabilities undiscounted. Some of returnable packages are never returned to the Group and advances related to these packages are regularly written-off against profit or loss. The amount of write-offs is based on management historical experience with the rate of return of particular types of packages.

Financial assets/liabilities measured at fair value through other comprehensive income

Except for interest rate swaps for which the hedge accounting is applied, the Group doesn't have any assets/liabilities measured at fair value through other comprehensive income.

Derivative financial instruments and hedge accounting

This category includes derivative instruments in the Group's balance sheet. The Group holds derivative financial instruments to hedge its interest rate risk exposures. Financial assets/liabilities within this category serve for the hedging of risks associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges) and are presented within other receivables/other payables.

At the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period through other comprehensive income.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within finance income/costs. In the Group's hedge relationships, the possible main sources of ineffectiveness are the counterparty's credit risk and change in the timing of hedged transactions.

Amount accumulated in the hedging reserve and the cost of hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 1 year after the end of the reporting period.

When the financial asset/liability is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Financial assets/liabilities measured at fair value through profit or loss

This category in general includes two groups of assets: financial assets held for trading and financial assets designated initially at fair value through profit or loss. A financial asset is included in the held for trading category if it was acquired in order to be sold in the near term, or if it is part of a portfolio in which a pattern or short-term trading exists, or if it is a derivative instrument with a positive fair value and not designated for hedges.

Assets classified as financial assets designated at fair value through profit or loss are stated as at each reporting date at fair value, and all gains or losses are recognised as financial income or costs. Derivative financial instruments are stated at fair value as at the balance sheet date and as at the end of each reporting period based on valuations performed by the banks realising the transactions which are accepted by the management. Other financial assets designated at fair value through profit or loss are valued using stock exchange prices, and in their absence, using appropriate valuation techniques, such as: the use of the prices in recent transactions, comparisons with similar instruments, option valuation models. The fair value of debt instruments represents primarily future cash flows discounted at the current market interest rate applicable to similar instruments.

This category includes two groups of liabilities: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss. Financial liabilities held for trading are liabilities that: have been issued primarily to be transferred or repurchased in near term or are a component of a portfolio of financial instruments that are managed together with a purpose of generating a profit from short-term fluctuations in price or trader's margin or constitute derivative instruments.

Financial liabilities at fair value through profit or loss are measured at their fair value at the end of each reporting period, and all gains or losses are recognised as finance income or costs. Derivative instruments are measured at fair value at the end of each reporting period based on valuations performed by the banks realising the transactions which are accepted by the management. The fair value of debt instruments represents future cash flows discounted at the current market interest rate applicable to similar instruments.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortized costs. For trade receivables, the Group measures loss allowances at an amount equal to lifetime ECLs. For other financial assets the Group measures loss allowances at amount equal to either 12-month ECL or lifetime ECL (when the credit risk of an asset has increased significantly).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort (mainly historical experience, credit assessment, current and forward-looking information available to the management).

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime expected credit losses are those that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses constitute the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade. The Group considers this to be Ba1 or higher per rating of agency Moody's.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Derecognition of financial assets/liabilities

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

The Group derecognises financial liability (or part of a financial liability) when it extinguishes, i.e. when the obligation is discharged, cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

However, the offsetting is not possible if it cannot be legally enforced in the normal course of business, in the event of default or in the event of insolvency or bankruptcy of the entity or any of the counterparties.

3.5.7 INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost of inventory is determined on the weighted average basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventory is written down to bring the carrying value of inventory to the net realisable value. Inventory write downs are recognised in the income statement under the "cost of goods sold" item. Reversals of inventory write downs are recorded as a decrease of the cost of goods sold. The amount of a write down decreases the carrying value of the inventory.

3.5.8 TRADE AND OTHER RECEIVABLES

Trade and other financial receivables are carried at amortised cost (i.e. present value discounted using the effective interest rate) net of impairment write downs.

In cases when the effect of the time value of money is significant, the carrying value of a receivable is determined by discounting the expected future cash flows to the present value, using a discount rate that reflects the current market assessments of the time value of money. Unwinding of the effects of discounting increasing the receivable is recorded as finance income.

An impairment loss is recognised in profit or loss at the difference between an asset´s carrying amount and the present value of the estimated cash flows discounted at the asset´s original effective interest rate. For the measurement of loss allowance for financial assets refer to section 3.5.6.

Non-financial receivables are assessed at each reporting date to determine whether there is an objective evidence of impairment. Such evidence includes:

- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation,
- default or delinquency by the debtor.

3.5.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, as well as highly liquid investments that can be readily convertible to known amount of cash and are subject to insignificant changes in the value.

The balance of cash and cash equivalents presented in the consolidated statement of cash flows consists of cash at bank and in hand, as well as short-term deposits with original maturity up to 3 months.

3.5.10 EQUITY

Equity is classified by category and in accordance with binding legal regulations and the Company's Statute.

Share capital is carried at the amount stated in the Statute and in the National Court Register.

Declared but unpaid capital contributions are recorded as unpaid share capital. Treasury shares and unpaid share capital are deducted from the Company's equity.

Other elements of equity are: Share premium and capital reorganisation reserve, Other reserves, Foreign currency translation reserve, Own shares, Retained earnings and Non-controlling interest. Balance of the Foreign currency translation reserve is adjusted for exchange differences arising from the translation of financial statements of subsidiaries with functional currency different from Group's presentation currency.

Own shares of the Company acquired by the Group are recorded at cost as a negative amount as a separate component of equity.

Retained earnings/Accumulated deficit consist of accumulated profit or uncovered loss from previous years and the profit/loss for the period.

Dividends are recognised as liabilities in the period in which they were approved.

The Kofola Group can pay advance dividend payment under the conditions set out in the Business Corporation Act.

Non-controlling interest

Non-controlling interest is measured:

- based on the share on the acquired net identifiable assets; and
- subsequently increased/decreased by non-controlling interest's share of profit, dividends paid, share in other comprehensive income and effects of changes in ownership.

3.5.11 INTEREST-BEARING BANK CREDITS AND LOANS

At initial recognition, all bank credits and loans are recorded at their fair value, which corresponds to the received cash funds, less the costs of obtaining the credit or loan.

After their initial recognition, interest bearing credits and loans are stated at amortised cost by applying the effective interest rate method.

Amortised cost is determined by taking into account the costs of obtaining the credit or loan, as well as discounts and bonuses received or settlement fees charged at the settlement of the liability.

3.5.12 TRADE LIABILITIES AND OTHER LIABILITIES

Financial liabilities constitute a current obligation arising out of past events, the fulfilment of which is expected to result in an outflow of cash or other financial assets.

Financial liabilities other than financial liabilities stated at fair value through profit or loss are measured at amortised cost (i.e. discounted using the effective interest rate).

Exchange rate differences resulting from the balance sheet remeasurement of trade payables are recognised in cost of sales.

Non-financial current liabilities are measured at amounts due.

3.5.13 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are created when the Group has a present obligation (legal or constructive) arising out of past events, and when it is likely that the fulfilment of this obligation will result in an outflow of economic benefits, and when the amount of the obligation can be reliably measured. If the Group has a right to be reimbursed for the costs covered by the provision, for example based on an insurance policy, then the reimbursement is recognised as a separate asset, but only if it is virtually certain that the reimbursement will be received. The costs relating to a given provision are presented in the income statement net of any reimbursements. If the time value of money is material, the carrying amount of the provision is determined by discounting the forecasted future cash flows to their present values using a pre-tax discount rate reflecting the current market assessments of the time value of money and any risks associated with the given obligation. Subsequent increases of the provision due to unwinding of discount are presented as interest expense.

Contingent liability is an obligation of sufficient uncertainty that it does not qualify for recognition as a provision, unless it is assumed in a business combination.

3. MATERIAL ACCOUNTING POLICIES

3.5.14 EMPLOYEE BENEFITS

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity or to a state pension plan. Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in respect of defined benefit pension plans represents the amount of estimated future benefit that employees have earned in the current and prior periods, net of the fair value of any plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the corresponding pension obligation.

Material actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Group recognises costs for a restructuring that is within the scope of IAS 37 and the restructuring involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes of such/these conditions.

The fair value of shares granted is based on the stock market share price as of the grant date that was adjusted for the expected fulfilment of non-vesting conditions and market conditions, expected dividend payments and shares restrictions.

In terms of non-vesting conditions, it is expected that all participants will fulfil the set administrative tasks and also period of holding the shares after their acquisition. In terms of Pair shares, new share based payment program participants are expected to utilize the annual gross salary limit in 75%. Participants from the previous share based payment program that are also participants in this share based payment program are expected to utilize the annual gross salary limit in 100%. Market condition is represented mainly by the expected share price on Prague Stock Exchange. The projection of the share price was determined using the Monte Carlo simulation that is based on historical data (starting from June 2018) from which the average growth rate as well as standard deviation are determined. These, together with the random input from normal distribution, serve as a base for the projection of share price development in particular future months. Expected dividends were for the purpose of valuation determined in line with the historical resolutions. And due to existing time limitations on sale, the fair value was decreased by approximately 15% which is a discount rate reflecting the overall market restriction discounts, Group's market capitalization, industry and shares holding period.

Share based payment Plan 2021 - 2026

In the year 2021, the Group introduced a new program for long-term remuneration of senior managers of the Group. By entering into agreement on participation in the Program, the participants are entitled to acquire Kofola shares free of charge, subject the fulfilment of set conditions. The new Share based payment Plan is based on the ended Share based payment Plan for years 2017 - 2019 and enhances the dependence of the eligibility to Kofola shares on the Group results. The new Share based payment Plan has been approved for the period to 31 December 2026.

The Plan consists of two separate, though complementary plans:

1) Share Acquisition Plan granting the participants the opportunity to buy Kofola shares on the market (Investment Shares) and to acquire the corresponding number of Kofola Pair Shares free of charge under defined conditions. The maximal number of eligible Investment Shares cannot exceed the specified limit corresponding to the number of shares which can be purchased on the regulated market for 40% of the basic annual gross salary/remuneration the participant is entitled to under contract(s) concluded with Kofola Group companies in the corresponding calendar year (i. e. from January 1, 2021 to December 31, 2021, from January 1, 2022 to December 31, 2022, from January 1, 2023 to December 31, 2023, from January 1, 2024 to December 31, 2024, from January 1, 2025 to December 31, 2025 and from January 1, 2026 to December 31, 2026). The calculation of the Limit of Investment Shares is based on the average price of Kofola shares on the regulated market. Under the Share Acquisition Plan, there are two vesting periods (2021 – 2023 and 2021 – 2026). To be eligible for the acquisition of Pair Shares, they must be employed with any of Kofola Group companies or be a member of any of Kofola Group companies' bodies throughout the entire vesting period, and at the same time, Kofola Group Equity Value (EBITDA multiple decreased by the Net debt) must not be lower than in the previous calendar year. Provided that the set conditions are met, pair shares will be transferred to the participants gradually up until 2029. The participant must hold the Investment Shares for a set minimum period (two years following the end of the calendar year that served as reference for the yearly limit). Participants are obliged to hold the Pair Shares at least until 31 January of the calendar year following the calendar year in which they were transferred to the participant.

2) Performance Shares Plan providing the participant the opportunity to acquire a predetermined amount of Kofola shares (Performance Shares) free of charge provided that Kofola Group has met performance targets. The period relevant for the Performance Shares Plan starts on 1 January 2021 and terminates on 31 December 2026. The total amount of Performance Shares to be distributed among the participants is composed of two parts. The first part depends on the price of Kofola shares as of 31 December 2026 and the related market capitalization on the regulated market; the second part depends on the Equity Value of Kofola Group as of the last day of the relevant period. To be eligible for the acquisition of Performance Shares, the participant must be employed with any of Kofola Group companies or to be a member of any of Kofola Group companies' bodies from the start of the participant's participation in the Plan to the end of the relevant period provided that they participated in the Program for at least three years (with an exception set in the conditions of the Plan) and must hold Kofola shares of the set minimal value equal to the yearly basic gross wage/remuneration (or the double of yearly basic gross wage/remuneration) of the participant in the last complete calendar year the participant complied with the condition of employment or membership in any of Kofola Group companies and their bodies. Performance Shares will be transferred to participants eligible under the conditions of the Plan by 31 May 2027. Participants are obliged to hold 50% of the Performance Shares at least until 31 January 2028.

3.5.15 PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is recognised at the amount of the transaction price (which excludes estimates of variable consideration), and when the amount of revenue can be measured reliably. Revenue is measured excluding value added tax (VAT), excise tax and rebates (discounts, bonuses and other price reductions, i.e. possible price reductions assumed by the management).

The amount of revenue is measured at the fair value of the consideration received or receivable. Revenue is stated at net present value when the effect of the time value of money is material (in case of payment after 360 days, such transactions contain a significant financing component). If revenue is measured at discounted amount, the discount is recognised using the effective interest method as an increase in receivables, and as financial income in profit or loss.

Foreign exchange rate differences resulting from the realisation or the remeasurement of trade receivables are recognised in profit or loss.

Revenue is also recognised in accordance with the criteria specified below.

Recognition, measurement, presentation or disclosure of Group's revenue doesn't bear any significant judgements or assumptions. Group's transactions are rather clear.

Sale of goods and products

Revenue is recognised when the performance obligation is satisfied and control passes to the customer, and when the amount of revenue may be measured reliably. The amount of revenue recognised is adjusted for expected discounts, bonuses and other price reductions which are determined based on actual deliveries for the year and the contracted terms.

Provision of services

Revenue from the provision of services (mainly transportation services) is recognised when the service was performed with reference to the percentage of completion of the service obligation.

Franchise fees are recognized on monthly basis based on contracts with franchisants. Variable part of revenue is recognized to extend to which it is probable that the franchisant will meet the contracted turnover.

Interest

Interest income is recognised gradually using the effective interest method.

3.5.16 GOVERNMENT GRANTS

The Group recognises government grants once there is a reasonable assurance that the subsidy will be received and that all of the related conditions will be complied with. Both of the above criteria must be met for a government subsidy to be recognised.

The Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, reducing the income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits.

3.5.17 INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and equity accounted investees, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group is not subject to the top-up tax obligation.

3.5.18 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment revenue, expenses and assets are measured in the same way as in the consolidated financial statements.

3.5.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

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).

3.6. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The following standards, amendments and interpretations applied for the first time in 2024.

Non-current Liabilities with Covenants - Amendments to IAS 1

There is not any material impact on the Group's financial statements specifically due to these amendments. Further information regarding covenants is presented in section 4.18. Bank credits and loans.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

There is not any material impact on the Group's financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

There is not any material impact on the Group's financial statements.

Suppliers Finance Arrangements – Amendments to IAS 21

There is not any material impact on the Group's financial statements.

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 December 2024 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information	Section
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.	4.10.1, 4.11.1
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.	3.5.4, 4.11
Deferred tax asset from tax losses	Historical experience, current and forward-looking information available to the management.	4.8
Income tax	Assumptions used to recognise deferred income tax assets (other than Deferred tax asset from tax losses).	4.8
Impairment of receivables	Historical experience, credit assessment, current and forward-looking information available to the management.	4.14
Share based payment	Key assumptions used to determine the share based payment reserve: Expected EBITDA and Net debt as of 31-12-26.	4.21
Acquisitions	Assumptions used in determining fair value at the acquisition date and in assessing control over the acquired entities.	4.29

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.

Forthcoming requirements

Lack of Exchangeability – Amendments to IAS 21

There is not expected any material impact on the Group's financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

There is not expected any material impact on the Group's financial statements.

3.9. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approved the present consolidated financial statements for publication on 21 May 2025.

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

- CzechoSlovakia,
- Adriatic,
- Beers & Ciders,
- Fresh & Herbs.

As a result of the entrance into the new segment (breweries), new business segment Beers & Ciders is presented since 2Q 2024.

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,
- Beers & Ciders,
- 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 year ended 31 December 2024 and in the comparative year ended 31 December 2023 that generated more than 10% of the Group's consolidated revenue.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Business segments

1.1.2024 – 31.12.2024	CzechoSlovakia	Adriatic	Fresh & Herbs	Beers & Ciders	Subtotal	Consolidation adjustments	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	**7,015,597**	**1,683,172**	**1,230,533**	**1,400,375**	**11,329,677**	**(247,724)**	**11,081,953**
External revenue – excl. services	6,815,510	1,669,641	1,122,321	1,366,230	10,973,702	-	10,973,702
External revenue – services	31,986	11,668	34,906	29,691	108,251	-	108,251
Inter-segment revenue	168,101	1,863	73,306	4,454	247,724	(247,724)	-
Operating expenses	**(6,081,674)**	**(1,512,266)**	**(1,224,901)**	**(1,267,881)**	**(10,086,621)**	**247,724**	**(9,838,897)**
Related to external revenue	(5,913,573)	(1,510,403)	(1,151,595)	(1,263,427)	(9,838,897)	-	(9,838,897)
Related to inter-segment revenue	(168,101)	(1,863)	(73,306)	(4,454)	(247,724)	247,724	-
Operating profit/(loss)	**933,923**	**170,906**	**5,632**	**132,494**	**1,243,056**	**-**	**1,243,056**
Finance income/(costs), net	(261,732)	15,631	(34,003)	(20,217)	(300,321)	(14,952)	(315,273)
- within segment	*(267,996)*	*(6,478)*	*(21,299)*	*(19,500)*	*(315,273)*	-	*(315,273)*
- inter-segment	*6,264*	*22,109*	*(12,704)*	*(717)*	*14,952*	*(14,952)*	-
Share of profit/(loss) of equity accounted investee	(482)	-	-	-	(482)	-	(482)
Profit/(loss) before income tax	**671,709**	**186,537**	**(28,371)**	**112,277**	**942,253**	**(14,952)**	**927,301**
Income tax (expense)/benefit	(201,612)	(40,921)	643	(32,726)	(274,149)	-	(274,149)
Profit/(loss) for the period	**470,097**	**145,616**	**(27,728)**	**79,551**	**668,104**	**(14,952)**	**653,152**
EBITDA*	**1,247,435**	**267,489**	**142,659**	**259,448**	**1,917,132**	**-**	**1,917,132**
One-offs (4.26)	(82,167)	386	762	14,881	(66,138)	-	(66,138)
Adjusted EBITDA (4.26)	**1,165,268**	**267,875**	**143,421**	**274,329**	**1,850,994**	**-**	**1,850,994**

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

Other segment information (1.1.2024 – 31.12.2024)	CzechoSlovakia	Adriatic	Fresh & Herbs	Beers & Ciders	Subtotal	Consolidation adjustments	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Additions to PPE and Intangible assets*	539,498	144,259	220,511	127,929	1,032,197	-	1,032,197
Depreciation and amortisation	313,512	96,583	137,027	126,954	674,076	-	674,076
Other Impairment losses	18,213	4,572	6,749	4,894	34,428	-	34,428
Other Impairment losses reversals	(18,376)	(17,433)	(10,535)	(3,054)	(49,398)	-	(49,398)
Provisions - Increase due to creation	194,435	17,533	22,877	378	235,223	-	235,223
Provisions - Decrease due to usage/release	(145,132)	(6,280)	(28,107)	(252)	(179,771)	-	(179,771)

* excluding acquisitions, including lease additions

1.1.2023 – 31.12.2023	CzechoSlovakia	Adriatic	Fresh & Herbs	Subtotal	Consolidation adjustments	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	**6,314,707**	**1,514,892**	**1,026,918**	**8,856,517**	**(166,414)**	**8,690,103**
External revenue – excl. services	6,188,291	1,496,594	944,836	8,629,721	-	8,629,721
External revenue – services	21,073	16,502	22,807	60,382	-	60,382
Inter-segment revenue	105,343	1,796	59,275	166,414	(166,414)	-
Operating expenses	**(5,689,640)**	**(1,397,110)**	**(1,022,564)**	**(8,109,314)**	**166,414**	**(7,942,900)**
Related to external revenue	(5,584,297)	(1,395,314)	(963,289)	(7,942,900)	-	(7,942,900)
Related to inter-segment revenue	(105,343)	(1,796)	(59,275)	(166,414)	166,414	-
Operating profit/(loss)	**625,067**	**117,782**	**4,354**	**747,203**	**-**	**747,203**
Finance income/(costs), net	(229,646)	12,718	(32,159)	(249,087)	(12,189)	(261,276)
- within segment	*(254,413)*	*(1,971)*	*(4,892)*	*(261,276)*	-	*(261,276)*
- inter-segment	*24,767*	*14,689*	*(27,267)*	*12,189*	*(12,189)*	-
Share of profit/(loss) of equity accounted investees	(3,985)	-	-	(3,985)	-	(3,985)
Profit/(loss) before income tax	**391,436**	**130,500**	**(27,805)**	**494,131**	**(12,189)**	**481,942**
Income tax (expense)/benefit	(128,368)	(29,820)	45,223	(112,965)	-	(112,965)
Profit/(loss) for the period	**263,068**	**100,680**	**17,418**	**381,166**	**(12,189)**	**368,977**
EBITDA*	**933,855**	**204,375**	**149,394**	**1,287,624**	**-**	**1,287,624**
One-offs (4.26)	4,146	347	(38,713)	(34,220)	-	(34,220)
Adjusted EBITDA (4.26)	**938,001**	**204,722**	**110,681**	**1,253,404**	**-**	**1,253,404**

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

Other segment information (1.1.2023 – 31.12.2023)	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*	343,658	94,877	79,921	518,456	-	**518,456**
Depreciation and amortisation	308,788	86,593	145,040	540,421	-	**540,421**
Other Impairment losses	22,698	3,961	6,967	33,626	-	**33,626**
Other Impairment losses reversals	(5,769)	(7,850)	(87,488)	(101,107)	-	**(101,107)**
Provisions - Increase due to creation	162,774	10,971	26,295	200,040	-	**200,040**
Provisions - Decrease due to usage/release	(78,942)	(6,674)	(15,578)	(101,194)	-	**(101,194)**

* excluding acquisitions, including lease additions

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Product lines

1.1.2024 - 31.12.2024	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Fresh bars & Salads	Beers & Ciders	Other	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	**3,874,702**	**712,837**	**3,107,407**	**588,518**	**567,353**	**1,187,503**	**1,043,633**	**11,081,953**
External revenue – excl. services	3,874,702	712,837	3,107,407	588,518	539,480	1,159,040	991,718	10,973,702
External revenue – services	-	-	-	-	27,873	28,463	51,915	108,251

1.1.2023 - 31.12.2023	Carbonated beverages	Non-carbonated beverages	Waters	Syrups	Fresh bars & Salads	Beers & Ciders	Other	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	3,396,722	707,391	2,831,107	543,569	481,633	-	729,681	8,690,103
External revenue – excl. services	3,396,722	707,391	2,831,107	543,569	464,648	-	686,284	8,629,721
External revenue – services	-	-	-	-	16,985	-	43,397	60,382

Information about geographical areas – revenue per end customer

1.1.2024 - 31.12.2024	Czech Republic	Slovakia	Slovenia	Croatia	Poland	Other	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	**6,177,695**	**2,530,796**	**1,040,694**	**499,945**	**357,741**	**475,082**	**11,081,953**
External revenue – excl. services	6,104,315	2,520,501	1,029,047	499,870	357,258	462,711	10,973,702
External revenue – services	73,380	10,295	11,647	75	483	12,371	108,251

1.1.2023 - 31.12.2023	Czech Republic	Slovakia	Slovenia	Croatia	Poland	Other	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Revenue	4,897,617	2,103,454	960,316	426,721	109,253	192,742	8,690,103
External revenue – excl. services	4,871,898	2,095,336	943,837	426,697	107,553	184,400	8,629,721
External revenue – services	25,719	8,118	16,479	24	1,700	8,342	60,382

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
31.12.2024	5,142,687	995,527	627,110	166,297	46,643	-	6,978,264
31.12.2023	3,265,930	964,244	578,123	149,067	44,283	-	5,001,647

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.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

4.2. REVENUE

Revenue streams, Timing of revenue recognition	2024	2023
	CZK´000	CZK´000
Revenue from contracts with customers		
- Sales of finished products/goods/materials (transferred at a point in time)	10,973,702	8,629,721
- Sales of transportation services (transferred over time)	12,791	11,186
- Franchise licences (transferred over time)	27,852	16,969
- Sales of other services (transferred over time)	67,608	32,227
Total revenue	**11,081,953**	**8,690,103**

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 presented in section 4.14.

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	2024	2023
	CZK´000	CZK´000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	674,075	540,421
Employee benefits expenses (i)	2,340,944	1,817,851
Consumption of materials and energy, cost of goods and materials sold	4,687,851	3,892,998
Services	2,027,972	1,528,977
Rental costs	113,718	98,431
Taxes and fees	102,427	72,910
Insurance costs	26,088	17,183
Inventory write-down/(back)	5,557	7,854
Change in allowance to receivables	(620)	12,802
Change in finished products and work in progress	(45,519)	4,146
Other costs	11,514	9,942
Total expenses by nature*	**9,944,007**	**8,003,515**
Depreciation recognized in Other operating expenses	-	(6,047)
Reconciliation of expenses by nature to expenses by function	**9,944,007**	**7,997,468**
Cost of sales	6,037,140	4,802,651
Selling, marketing and distribution costs	3,201,001	2,487,765
Administrative costs	705,866	707,052
Total costs of products and services sold, merchandise and materials, sales costs and administrative costs	**9,944,007**	**7,997,468**

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

Depreciation of Property, plant and equipment increased mainly as a result of newly acquired companies within the Group (impact of CZK 96.9 million). Employee benefits expenses are higher as a result of new companies acquired in 2024. There was also an increase of the number of employees, salary valorization in February 2024 and higher bonuses paid in February and April 2024. Impact of growth of the Group in 2024 on Consumption of materials and energy, cost of goods and materials sold amounts to CZK 763.2 million. Higher Services are driven also by newly acquired companies (CZK 236.7 million). The Group incurred also higher transportation and marketing costs in 2024.

In 2024, the Group carried out research and development activities and incurred costs of CZK 6,233 thousand (2023: CZK 6,573 thousand).

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Employee benefits expenses

	2024	2023
	CZK´000	CZK´000
Salaries	1,671,980	1,224,152
Share based payment	81,821	158,512
Social security and other benefit costs (including healthcare insurance)	291,098	216,196
Pension benefit plan expenses	296,045	218,991
Total employee benefits expenses	**2,340,944**	**1,817,851**

4.4. OTHER OPERATING INCOME

Other operating income	2024	2023
	CZK´000	CZK´000
Net gain from the sale of PPE and Intangible assets	7,377	10,617
Gain on sale of Grodzisk Wielkopolski plant	-	29,883
Release of impairment of Property, plant and equipment	2,197	-
Reinvoiced payments	6,389	4,227
Subsidies, grants and government support*	5,973	19,055
Rent discounts	-	-
Compensation claims	174,900	4,555
Penalties and compensation for damages	9,371	11,023
Other tax income	540	1,053
Release of provision	18,159	-
Liabilities write-off	-	43
Other	46,983	9,461
Total other operating income	**271,889**	**89,917**

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

Release of provision in 2024 arose from a change in a directive valid in Slovenia (related to an additional tax/packaging fee). The directive should have been in force in 2023, however has been postponed to 2024, therefore Radenska released the provision related to expected costs for 2023.v

The compensation claims recognized in connection with the floods that occurred in September 2024, which most significantly affected the production plant in Krnov, along with the brewery locations in Hanušovice and Litovel, represent management's best estimate of the anticipated recoveries from insurance companies. The Group´s management has carefully considered the extent of the damages and recognized income at items, which are considered as virtually certain based on current status of closing the compensation claims with insurance company.

In 2023, the Subsidies, grants and government support contain mainly the compensation for high energy prices. In 2023, the Group has sold the Grodzisk Wielkopolski plant which resulted in the gain on sale of CZK 29,883 thousand.

4.5. OTHER OPERATING EXPENSES

Other operating expenses	2024	2023
	CZK´000	CZK´000
Loss from liquidation of tangible and intangible assets	2,059	-
Net costs connected with inactive plant in Poland*	-	3,359
Impairment of PPE	9,084	-
Provided donations, sponsorship	11,045	8,258
Penalties and damages	3,533	6,048
Advisory services	-	5,782
Restructuring costs**	-	2,328
Creation of provisions	43	-
Other tax expense	55	2,276
Litigations	6,782	-
Expenses connected with floods	108,200	-
Other	25,978	7,298
Total other operating expenses	**166,779**	**35,349**

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

Expenses incurred as a result of the floods primarily include costs for the repair of damaged assets. Furthermore, these expenses include the impairment of the net book value of property, plant, and equipment that was destroyed or significantly damaged by the floods and is no longer usable. Concurrently, there were expenditures for the acquistion of new assets to replace those that were destroyed. These expenditures are not reflected in the expenses in the current period. Donations provided to the affected areas also form part of the reported flood-related expenses. This difference between the one-time recognition of income from compensation and the gradual recognition of expenses for new assets (through depreciation) explains the potential timing mismatch between the reported income and expenses associated with the floods.

Other includes mainly restructuring, insurance and transaction costs (Beers & Ciders segment).

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.6. FINANCE INCOME

Finance income	2024	2023
	CZK´000	CZK´000
Interest from:		
– bank deposits	7,202	97
– receivables	214	-
– other	2,728	114
Exchange gains	3,532	14,118
Realized derivatives (derivatives in EUR)	32,521	19,752
Other	-	175
Total finance income	**46,197**	**34,256**

In 2024 interest from bank deposits result from Pivovary CZ Group. Realized derivates increased as a result of hedging of new tranches.

4.7. FINANCE COSTS

Finance costs	2024	2023
	CZK´000	CZK´000
Interest from:		
– bank loans and credits	282,454	229,406
– lease	21,412	13,591
– other	-	149
Exchange losses	35,613	38,931
Bank costs and charges	20,853	12,631
Other	1,138	824
Total finance costs	**361,470**	**295,532**

Interest from bank loans and credits increased due to new tranches drawing in 2024 and bank loan drawn by Pivovary CZ Group a.s.

4.8. INCOME TAX

4.8.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the twelve-month period ended 31 December 2024 and 31 December 2023 were as follows:

Income tax	2024	2023
	CZK´000	CZK´000
Current income tax expense/(benefit)	**289,913**	**178,728**
Current income tax on profits for the year	286,919	177,894
Adjustments for current income tax of prior periods	2,093	834
Deferred income tax expense/(benefit)*	**(15,764)**	**(65,763)**
Related to arising and reversing of temporary differences other than tax losses	(19,380)	(59,583)
Related to tax losses	3,616	(6,180)
Income tax expense/(benefit)	**274,149**	**112,965**

* 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.

Since 1 January 2024, the tax rate applicable in the Czech Republic is 21%. The income tax rate applicable to the majority of the Group's 2023 income is 19%. Current income tax expense increased as a result of higher taxable profits.

Since 1 January 2025, the tax rate applicable in Slovakia is increased to 24%.

4.8.2 INCOME TAX RECOGNISED DIRECTLY IN EQUITY

Income tax elements for the twelve-month period ended 31 December 2024 and 31 December 2023 were as follows:

Movement of income tax recognised directly in equity	2024	2023
	CZK´000	CZK´000
Deferred income tax	**(4,559)**	**(13,906)**
Tax from Cash flow hedges	(4,559)	(13,906)
Movement of income tax recognised directly in equity	**(4,559)**	**(13,906)**

4.8.3 EFFECTIVE TAX RECONCILIATION

Effective tax	2024	2023
	CZK´000	CZK´000
Profit/(loss) before income tax	**927,301**	**481,942**
Tax at the rate of 21% valid in the Czech Republic	(194,733)	(91,569)
Tax effect of:		
Non-deductible expenses	(73,121)	(48,055)
Non-recognition of deferred tax assets	(12,875)	(18,080)
Investment incentives	3,185	2,026
Non-taxable income	8,367	3,724
Current tax of prior periods	(2,093)	4,484
Deferred tax adjustments relating to prior periods	2,542	3,577
Previously unrecognized deferred tax asset/liability	-	47,696
Difference in tax rates of subsidiaries operating in other jurisdictions	2,418	(3,822)
Change in the tax rate	(12,447)	(12,189)
Share of results of equity accounted investees	(101)	(757)
Other	4,709	-
Income tax expense	**(274,149)**	**(112,965)**
Effective tax rate	**29.6%**	**23.4%**

4.8.4 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities			31.12.2024
	Deferred tax assets	Deferred tax liabilities	Net amount
	CZK´000	CZK´000	CZK´000
Temporary differences attributable to:			
Property, plant and equipment and Intangible assets	-	(537,933)	(537,933)
Inventories	5,361	-	5,361
Receivables	5,346	-	5,346
Tax losses	13,723	-	13,723
Trade and other liabilities and provisions	69,449	-	69,449
Deferred tax from Cash flow hedges	2,184	-	2,184
Share based payment	61,851	-	61,851
Other	34,072	(44,533)	(10,461)
Deferred tax assets/(liabilities)	**191,986**	**(582,466)**	**(390,480)**
Presentation offsetting	(137,804)	137,804	-
Deferred tax assets/(liabilities)	**54,182**	**(444,662)**	**(390,480)**

The deferred tax liability acquired through business combination amounts to CZK 181,435 thousand.

Deferred tax assets and liabilities			31.12.2023
	Deferred tax assets	Deferred tax liabilities	Net amount
	CZK´000	CZK´000	CZK´000
Temporary differences attributable to:			
Property, plant and equipment and Intangible assets	-	(343,407)	(343,407)
Inventories	3,149	-	3,149
Receivables	5,331	-	5,331
Tax losses	17,166	-	17,166
Trade and other liabilities and provisions	54,373	-	54,373
Deferred tax from Cash flow hedges	-	(2,376)	(2,376)
Share based payment	39,907	-	39,907
Deferred tax assets/(liabilities)	**119,926**	**(345,783)**	**(225,857)**
Presentation offsetting	(81,319)	81,319	-
Deferred tax assets/(liabilities)	**38,607**	**(264,464)**	**(225,857)**

Based on management assessment and tax projections, the Group didn't recognize as of 31 December 2024 the deferred tax asset of CZK 83,514 thousand (as of 31 December 2023: CZK 89,955 thousand) that arose from tax losses. Tax losses can be utilized up to 2028. The deferred tax asset from tax losses was not recognized in those cases when the particular entity has no sufficient taxable temporary differences or there is not convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised.

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.

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

Weighted average number of ordinary shares	2024	2023
	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	-	-
Weighted average number of ordinary shares used to calculate basic earnings per share	**22,291,948**	**22,291,948**

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

Basic earnings per share	2024	2023
Profit/(loss) for the period attributable to owners of Kofola ČeskoSlovensko a.s. (CZK´000)	597,892	365,397
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22,291,948	22,291,948
Basic earnings per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK/share)	**26.82**	**16.39**

4.10. PROPERTY, PLANT AND EQUIPMENT

The additions (including acquisitions) to Property, plant and equipment were CZK 1,929,498 thousand in the year ended 31 December 2024.

The most significant additions realized by the Group in 2024 are connected with the entities acquired in 2024 and also with the production machinery.

The additions (including acquisition) to Property, plant and equipment were of CZK 531,505 thousand in the year ended 31 December 2023.

The most significant additions realized by the Group in 2023 were represented by investments into the production machinery, and buildings and constructions.

In 2023, Group has sold the closed Grodzisk Wielkopolski plant and realized gain on sale of CZK 29,883 thousand.

Movements in Property, plant and equipment (PPE)	Land	Buildings and constructions	Plant and equipment	Vehicles	Leasehold improvement	Returnable packages	Other non-current assets	Non-current assets under construction, Advances	Total
1.1.2024 - 31.12.2024	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost - opening	**268,432**	**2,749,807**	**4,815,018**	**507,131**	**96,358**	**745,261**	**4,947**	**181,838**	**9,368,792**
Acquisition of subsidiary	63,075	736,144	1,017,889	156,292	-	265,365	260,996	33,497	2,533,258
Additions	7,860	47,470	311,629	59,316	10,142	74,832	25,736	259,778	796,763
Transfers from non-current assets under construction	-	12,632	42,294	137	1,242	22,177	14,535	(93,017)	-
Lease additions	-	73,496	8,260	114,393	-	-	222	-	196,371
Other increases	-	-	106	19,833	-	2,069	41	1,082	23,131
Sale	(314)	(397)	(87,924)	(39,662)	(10)	(6,003)	(1,150)	-	(135,460)
Disposal	(58)	(14,777)	(196,898)	(53,519)	(4,193)	(45,199)	(11,451)	(3,204)	(329,299)
Reclassification to other categories	-	-	81	75	(121)	-	-	-	35
Exchange differences	2,481	11,268	50,105	14,704	1	(6,452)	120	3,781	76,008
Cost - closing	**341,476**	**3,615,643**	**5,960,560**	**778,700**	**103,419**	**1,052,050**	**293,996**	**383,755**	**12,529,599**
Accumulated depreciation - opening	**(5,054)**	**(1,248,043)**	**(3,912,958)**	**(369,887)**	**(67,287)**	**(620,865)**	**(3,992)**	**-**	**(6,228,086)**
Acquisition of subsidiary	-	(394,852)	(746,078)	(102,977)	-	(142,032)	(209,531)	-	(1,595,470)
Depreciation charge	(1,253)	(158,860)	(294,104)	(67,322)	(8,919)	(80,655)	(15,326)	-	(626,439)
Sale	-	299	85,857	31,957	3	5,931	1,122	-	125,169
Disposal	-	12,222	194,348	13,048	3,519	41,686	11,807	-	276,630
Reclassification to other categories	-	-	157	19,833	(157)	-	-	-	19,833
Exchange differences	(19)	(8,228)	(42,751)	(22,042)	-	15,275	(83)	-	(57,848)
Accumulated depreciation - closing	**(6,326)**	**(1,797,462)**	**(4,715,529)**	**(497,390)**	**(72,841)**	**(780,660)**	**(216,003)**	**-**	**(8,086,211)**
Impairment allowance - opening	**-**	**-**	**(27,444)**	**-**	**-**	**-**	**-**	**-**	**(27,444)**
Acquisition of subsidiary	-	-	-	-	-	-	-	(1,424)	(1,424)
Impairment loss	-	(2,319)	(495)	(3,144)	-	(3,603)	-	-	(9,561)
Disposal	-	-	226	-	-	-	-	-	226
Reclassification to other categories	-	-	(251)	-	-	251	-	-	-
Release	-	-	4,974	-	-	-	-	170	5,144
Exchange differences	-	-	(11)	-	-	-	-	-	(11)
Impairment allowance - closing	**-**	**(2,319)**	**(23,001)**	**(3,144)**	**-**	**(3,352)**	**-**	**(1,254)**	**(33,070)**
Net book value - opening	**263,378**	**1,501,764**	**874,616**	**137,244**	**29,071**	**124,396**	**955**	**181,838**	**3,113,262**
Net book value - closing	**335,150**	**1,815,862**	**1,222,030**	**278,166**	**30,578**	**268,038**	**77,993**	**382,501**	**4,410,318**

Movements in Property, plant and equipment (PPE)	Land	Buildings and constructions	Plant and equipment	Vehicles	Leasehold improvement	Returnable packages	Other non-current assets	Non-current assets under construction, Advances	Total
1.1.2023 - 31.12.2023	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost - opening	**268,515**	**2,860,202**	**4,683,360**	**486,252**	**94,560**	**731,642**	**4,347**	**123,732**	**9,252,610**
Acquisition of subsidiary	4,913	67,263	1,079	-	-	-	-	-	73,255
Additions	1,059	22,343	199,715	11,456	1,885	34,430	610	103,298	374,796
Transfers from non-current assets under construction	-	4,397	39,735	-	697	1,902	-	(46,731)	-
Lease additions	2,255	50,661	6,913	35,774	-	-	-	-	95,603
Other increases	-	-	635	-	-	1,603	-	-	2,238
Sale	(13,863)	(284,555)	(73,025)	(12,702)	-	(1,917)	(87)	-	(386,149)
Disposal	-	(9,858)	(122,489)	(18,544)	(668)	(31,858)	(120)	-	(183,537)
Exchange differences	5,553	39,354	79,095	4,895	(116)	9,459	197	1,539	139,976
Cost - closing	**268,432**	**2,749,807**	**4,815,018**	**507,131**	**96,358**	**745,261**	**4,947**	**181,838**	**9,368,792**
Accumulated depreciation - opening	**(3,835)**	**(1,234,329)**	**(3,803,954)**	**(344,850)**	**(58,274)**	**(605,961)**	**(3,815)**	**-**	**(6,055,018)**
Acquisition of subsidiary	-	(11,176)	(972)	-	-	-	-	-	(12,148)
Depreciation charge	(1,193)	(135,447)	(232,627)	(53,393)	(9,731)	(39,428)	(205)	-	(472,024)
Sale	-	150,170	65,914	12,356	-	1,693	87	-	230,220
Disposal	-	7,503	121,438	18,180	667	29,961	120	-	177,869
Exchange differences	(26)	(24,764)	(62,757)	(2,180)	51	(7,130)	(179)	-	(96,985)
Accumulated depreciation - closing	**(5,054)**	**(1,248,043)**	**(3,912,958)**	**(369,887)**	**(67,287)**	**(620,865)**	**(3,992)**	**-**	**(6,228,086)**
Impairment allowance - opening	**-**	**(68,336)**	**(30,772)**	**-**	**-**	**(7)**	**-**	**-**	**(99,115)**
Sale	-	70,244	854	-	-	-	-	-	71,098
Release	-	4,999	3,045	-	-	7	-	-	8,051
Exchange differences	-	(6,907)	(571)	-	-	-	-	-	(7,478)
Impairment allowance - closing	**-**	**-**	**(27,444)**	**-**	**-**	**-**	**-**	**-**	**(27,444)**
Net book value - opening	**264,680**	**1,557,537**	**848,634**	**141,402**	**36,286**	**125,674**	**532**	**123,732**	**3,098,477**
Net book value - closing	**263,378**	**1,501,764**	**874,616**	**137,244**	**29,071**	**124,396**	**955**	**181,838**	**3,113,262**

Depreciation charge for years 2024 and 2023 is presented in the tables above.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.10.1 IMPAIRMENT TESTING

In 2024, impairment loss was charged to the Buildings and constructions, Plant and equipment, Vehicles and Returnable packages. In 2023, no impairment loss was charged to the items of Property, plant and equipment.

In case of Studenac d.o.o., the value of selected items of Property, plant and equipment as of 31 December 2023 were supported by the external valuation report issued in January 2024.

4.11. INTANGIBLE ASSETS

Movements in Intangible assets (IA) 1.1.2024 - 31.12.2024	**Goodwill**	**Patents, licenses**	**Software**	**Trademarks and other rights**	**IA under development, Advances**	**Total**
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost - opening	**662,319**	**890**	**316,683**	**1,546,610**	**19,173**	**2,545,675**
Acquisition of subsidiary	118,547	-	9,323	523,565	138	651,573
Additions	-	-	15,583	2,158	21,322	39,063
Transfer from IA under development	-	-	32	3,758	(3,790)	-
Sale	-	-	-	-	-	-
Disposal	-	-	(4,254)	-	-	(4,254)
Exchange differences	-	-	-	-	-	-
Cost - closing	**76**	**22**	**1,533**	**8,062**	**(2,389)**	**7,304**
Accumulated amortisation - opening	**780,942**	**912**	**338,900**	**2,084,153**	**34,454**	**3,239,361**
Acquisition of subsidiary	-	-	(6,414)	(10,496)	-	(16,910)
Amortisation charge	-	-	(18,297)	(32,375)	-	(50,672)
Sale	-	-	-	-	-	-
Disposal	-	-	4,254	-	-	4,254
Exchange differences	-	(22)	(1,500)	(1,203)	-	(2,725)
Accumulated amortisation - closing	**-**	**(912)**	**(295,169)**	**(493,533)**	**-**	**(789,614)**
Net book value - opening	**662,319**	**-**	**43,471**	**1,097,151**	**19,173**	**1,822,114**
Net book value - closing	**780,942**	**-**	**43,731**	**1,590,620**	**34,454**	**2,449,747**
Of which:						
Goodwill						780,942
Intangible assets						1,668,805

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movements in Intangible assets (IA) 1.1.2023 - 31.12.2023	Goodwill	Patents, licenses	Software	Trademarks and other rights	IA under development, Advances	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost - opening	**647,969**	**846**	**291,096**	**1,530,821**	**4,035**	**2,474,767**
Acquisition of subsidiary	14,248	-	-	-	-	14,248
Additions	-	-	27,482	1,627	18,948	48,057
Transfer from IA under development	-	-	3,182	629	(3,811)	-
Sale	-	-	(31)	-	-	(31)
Disposal	-	-	(7,017)	(17)	-	(7,034)
Exchange differences	102	44	1,971	13,550	1	15,668
Cost - closing	**662,319**	**890**	**316,683**	**1,546,610**	**19,173**	**2,545,675**
Accumulated amortisation - opening	**-**	**(811)**	**(259,591)**	**(388,704)**	**-**	**(649,106)**
Amortisation charge	-	(36)	(18,537)	(57,776)	-	(76,349)
Sale	-	-	31	-	-	31
Disposal	-	-	7,017	17	-	7,034
Exchange differences	-	(43)	(2,132)	(2,996)	-	(5,171)
Accumulated amortisation - closing	**-**	**(890)**	**(273,212)**	**(449,459)**	**-**	**(723,561)**
Net book value - opening	**647,969**	**35**	**31,505**	**1,142,117**	**4,035**	**1,825,661**
Net book value - closing	**662,319**	**-**	**43,471**	**1,097,151**	**19,173**	**1,822,114**
Of which:						
Goodwill						662,318
Intangible assets						1,159,796

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: Kofola, Vinea, Radenska, Citrocola, Semtex energy drink, Erektus, UGO, Premium Rosa, Leros, Café Reserva, Prager ciders and lemonades, Ondrášovka, Korunní, Zubr, Holba and Litovel.

In 2024, the additions (including acquisitions) to intangible assets were in the total amount of CZK 673,726 thousand. The most significant additions relate to acquisition of Pivovary CZ Group a.s. and related fair value of the brands Zubr, Holba and Litovel. The amount of goodwill related to the acquistion amounted to CZK 118,547 thousand.

In 2023, the additions (including acquisition) to intangible assets were of CZK 62,305 thousand. The most significant additions were connected with the investments to SAP.

Amortization charge for years 2024 and 2023 is presented in the tables above.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.11.1 IMPAIRMENT TESTING

In the impairment testing of goodwill, management of the Group has decided to use value in use method. For the purpose of trademarks valuation, the relief-from-royalty method was used (fair value method). Due to the fact that management is not aware of comparable market transactions, the calculation of value in use for goodwill is based on discounted free cash flows and estimated cash-flow projections based on financial plans approved by management of the Group for the period until 2030.

Main assumptions used in financial plans and cash-flow projections:

Trademarks

The main trademarks with indefinite useful life:

2024	Ondrášovka	Korunní	Kofola	Vinea	Radenska	Zubr	Holba	Litovel
Country of trademark	Czechia	Czechia	Czechia	Slovakia	Slovenia	Czechia	Czechia	Czechia
Royalty rate	4.5%	3.0%	n/a	6.0%	n/a	3.5%	3.5%	3.5%
Average revenue growth rate	4.6%	4.0%	n/a	2.3%	n/a	2.0%	2.0%	2.0%
Perpetuity growth rate	2.0%	2.0%	n/a	2.0%	n/a	2.0%	2.0%	2.0%
Discount rate post-tax (avg. in explicit period)	7.8%	7.8%	n/a	7.5%	n/a	7.0%	7.0%	7.0%
Discount rate post-tax (perpetuity)	7.1%	7.1%	n/a	7.1%	n/a	6.4%	6.4%	6.4%

2023	Ondrášovka	Korunní	Kofola	Vinea	Radenska
Country of trademark	Czechia	Czechia	Czechia	Slovakia	Slovenia
Royalty rate	4.5%	3.0%	n/a	6.0%	n/a
Average revenue growth rate	2.9%	3.7%	n/a	2.7%	n/a
Perpetuity growth rate	2.0%	2.0%	n/a	2.0%	n/a
Discount rate post-tax (avg. in explicit period)	8.2%	8.2%	n/a	8.0%	n/a
Discount rate post-tax (perpetuity)	7.6%	7.6%	n/a	7.6%	n/a

In 2024, the Group has performed an impairment test of trademarks Ondrášovka, Korunní, Vinea, Zubr, Holba and Litovel. Based on the results of the test, no impairment loss was recognized for the year ended 31 December 2024, as the recoverable amounts exceeded the carrying amounts.

The detailed calculations made in 2022 of the recoverable amount of the Kofola and Radenska trademarks were used for the purpose of 2024 and 2023 impairment test because all of the criteria set by IAS 36, par. 24 were met. These criteria are:

- the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;
- the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and
- based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

Carrying value of all trademarks per country

	Czech Republic	Slovakia	Slovenia	Poland	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
31 December 2024	1,226,291	210,521	126,810	16,438	**1,580,060**
31 December 2023	739,742	206,676	124,494	21,188	**1,092,100**

Value of trademarks increased as a result of acquisition of breweries (new trademarks Zubr, Holba and Litovel).

In 2024 and 2023, no impairment was charged.

Impairment considerations in relation to cash-generating units

In 2024 and 2023, due to favourable business development, there were no impairment indicators in relation to any CGU within the Group.

Goodwill

The Goodwill arose on acquisition of PINELLI spol. s r.o., Klimo s.r.o., LEROS, s.r.o., Minerálka s.r.o, Espresso s.r.o., F.H.Prager s.r.o., ONDRÁŠOVKA a.s., Karlovarská Korunní s.r.o., FILIP REAL a.s., PIVOVARY CZ Group a.s. and FONTÁNA PCZG s.r.o. Goodwill on acquisition of LEROS, s.r.o. of CZK 2,865 thousand and Goodwill on acquisition of Espresso s.r.o. of CZK 12,091 thousand relate to Fresh & Herbs business segment. Goodwill on acquisition of F.H.Prager s.r.o. of CZK 3,333 thousand, PIVOVARY CZ Group a.s. and FONTÁNA PCZG s.r.o. of CZK 118,547 thousand relate to Beers & Ciders business segment. The remaining amount of Goodwill presented in the Consolidated statement of financial position relates to the CzechoSlovakia business segment. The Goodwill is monitored by the management at the segment level. Table below summarizes the key inputs for impairment testing in relation to Goodwill attributable to CzechoSlovakia business segment.

The assumptions of the impairment tests of Goodwill in the CzechoSlovakia business segment	**2022**
	CZK´000/%
EBITDA margin	15.5%
Perpetuity growth rate	2.0%
Discount rate post-tax (avg. in explicit period)	9.1%
Discount rate post-tax (perpetuity)	7.6%

The detailed calculation made in 2022 of the recoverable amount of the CzechoSlovakia business segment's Goodwill was used for the purpose of 2024 and 2023 impairment test because all of the criteria set by IAS 36, par. 99 were met. These criteria are:

- the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;
- the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and
- based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

In 2024, the calculation of the recoverable amount of the Beers & Ciders business segment's Goodwill was prepared of the purpose of the impairment test. Table below summarizes the key inputs for impairment testing in relation to Goodwill attributable to Beers & Ciders business segment.

The assumptions of the impairment tests of Goodwill in the Beers & Ciders business segment	2024
	CZK´000/%
EBITDA margin	18.1%
Perpetuity growth rate	2.0%
Discount rate post-tax (avg. in explicit period)	7.0%
Discount rate post-tax (perpetuity)	6.4%

Main assumptions adopted by the management are based on past experience and expectations as for the future market development. Discount rates used are in line with those used when preparing the Group's results assumptions when preparing the purchase price allocation of Pivovary CZ Group a.s. Discount rates are post-tax and include risk related to respective operating segments and trademarks.

The main assumptions used in impairment tests of Goodwill as at 31 December 2024 and 31 December 2023 are rational and based on the past experience, the Group's development strategy and on market forecasts. The Group's forecasts of future financial results are based on series of assumptions, where those relating to macroeconomic factors and actions taken by the competition, such as foreign exchange rates, prices of raw materials and interest rates are beyond the Group's control.

Sensitivity analysis

Management believes that, in relation to value in use calculations for trademarks and for Goodwill monitored at segment level, no reasonable change in the adopted assumptions would result in their recoverable amounts being lower than their carrying amounts.

In 2023, value in use for Ondrášovka brand was close to its carrying amount, however no impairment was charged to any brand.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.12. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Tables below summarizes Group's equity accounted investees.

Equity accounted investees	31.12.24	31.12.23
	CZK´000	CZK´000
MIXA VENDING s.r.o.	112,564	-
General Plastic, a. s.	44,148	40,433
Cafe Dorado s.r.o.	33,339	34,060
Zahradní OLLA s.r.o.	529	1,203
Total	**190,580**	**75,696**

4.12.1 MIXA VENDING S.R.O. (JOINT VENTURE)

On 25 January 2024, the Group has acquired a 49% stake in MIXA VENDING s.r.o., a company focused on the operation of beverage and food vending machines. The acquisition creates conditions for the availability of Kofola's Group beverages from the perspective of sales channels and is an opportunity for further synergies.

The following table summarizes the financial information of MIXA VENDING s.r.o. as included in its own financial statements.

Equity accounted investee's assets and liabilities	31.12.2024	25.1.2024
	CZK´000	CZK´000
Non-current assets	111,538	88,586
Current assets	99,150	80,118
Non-current liabilities	(33,650)	(42,046)
Current liabilities	(90,592)	(35,239)
Net assets (100%)	86,446	91,418
Group's share of net assets (49%)	42,359	44,795
Consideration transferred	n/a	115,000
Goodwill attributable to the Group	n/a	70,205

Equity accounted investee's revenue and profit/(loss)	25.1.2024 - 31.12.2024
Revenue	232,873
Profit/(loss) for the period	(4,971)

4.12.2 GENERAL PLASTIC, A. S. (JOINT VENTURE)

On May 16, 2023, the acquisition date, the Group became a 33.33% owner of General Plastic, a. s., a Slovak producer of hot-washed PET flakes and PET preforms used for production of PET bottles. The acquisition is a logical step towards fulfilling the Group's commitment for usage of recycled rPET and is also part of our sustainable packaging approach.

General Plastic is structured as a separate vehicle and the Group has a residual interest in its net assets.

The following table summarizes the financial information of General Plastic as included in its own financial statements.

Equity accounted investee's assets and liabilities	31.12.2024	31.12.2023	16.5.2023
	CZK´000	CZK´000	CZK´000
Non-current assets	366,815	321,136	236,512
Current assets	255,506	151,834	184,785
Non-current liabilities	(177,462)	(155,369)	(118,303)
Current liabilities	(344,817)	(224,473)	(214,170)
Net assets (100%)	**100,042**	**93,128**	**88,824**
Group's share of net assets (33.33%)	33,344	31,043	29,608
Consideration transferred	n/a	n/a	38.693
Goodwill attributable to the Group	**n/a**	**n/a**	**9,085**

Equity accounted investee's revenue and profit/(loss)	1.1.2024 - 31.12.2024	16.5.2023 – 31.12.2023
		CZK´000
Revenue	833,971	295,321
Profit/(loss) for the period	8,867	(11,955)

4.12.3 CAFE DORADO S.R.O. (ASSOCIATE)

The Group has acquired a 50% share in Cafe Dorado s.r.o. in June 2023 for CZK 10 thousand. It is a holding company which has acquired a 50% share in AGRITROPICAL S.A.S., a company owning Columbian coffee plantations, in December 2023. In 2023, the Group has provided capital contributions to Cafe Dorado s.r.o. amounting to CZK 34,050 thousand.

Equity accounted investee's assets and liabilities	31.12.2024	31.12.2023	1.6.2023
	CZK´000	CZK´000	CZK'000
Non-current assets	64,498	58,463	-
Current assets	1,504	18,016	20
Current liabilities	-	(9,429)	-
Net assets (100%)	**66,002**	**67,050**	**20**
Group's share of net assets (50.00%)	33,001	33,525	10

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.13. INVENTORIES

Inventories	31.12.2024	31.12.2023
	CZK´000	CZK´000
Inventories not written-down	**973,915**	**733,606**
Material	537,473	392,972
Goods	115,381	97,710
Work in progress	79,502	32,407
Finished products	241,661	210,517
Inventories write-down	**(32,133)**	**(27,415)**
Inventories total	**941,884**	**706,191**

Inventories write-down movement table	2024	2023
	CZK´000	CZK´000
As at 1 January	**27,415**	**21,287**
Increase due to creation	13,590	9,583
Decrease due to usage/(write-back)	(10,617)	(3,738)
Acquired through business combination	1,543	-
Exchange differences	202	283
As at 31 December	**32,133**	**27,415**

4.14. TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables	31.12.2024		31.12.2023	
	Current	Non-current	Current	Non-current
	CZK´000	CZK´000	CZK´000	CZK´000
Financial assets within Trade receivables and other receivables				
Trade receivables	1,256,656	-	969,829	-
Loss allowance for trade receivables	(41,558)	-	(51,902)	-
Derivatives (i)	-	56	22,239	-
Other financial receivables*	85,555	23,850	69,221	15,791
Grant	1,283	-	-	-
Loss allowance for other financial receivables	(35,459)	(760)	(36,633)	(1,493)
Total	**1,266,477**	**23,146**	**972,754**	**14,298**
Non-financial assets within Trade receivables and other receivables				
VAT receivable	52,101	-	40,068	-
Deferred expenses	108,887	21,995	51,457	16,012
Prepayments	22,106	64,061	56,699	50,100
Other non-financial receivables	4,305	383	1,439	159
Loss allowance for non-financial receivables	(2,472)	-	(2,479)	-
Total	**184,927**	**86,439**	**147,184**	**66,271**
Trade receivables and other receivables total	**1,451,404**	**109,585**	**1,119,938**	**80,569**

* Mainly paid principals.

Loss allowance for trade and other financial receivables	2024		2023	
	Trade receivables	Other financial receivables	Trade receivables	Other financial receivables
	CZK´000	CZK´000	CZK´000	CZK´000
As at 1 January	**51,902**	**38,126**	**50,216**	**34,624**
Exchange differences	2,653	7,160	859	536
Increase due to creation	10,659	6,181	22,629	13,750
Decrease due to usage/release	(23,656)	(15,248)	(21,802)	(10,784)
As at 31 December	**41,558**	**36,219**	**51,902**	**38,126**

(i) Derivatives

The Group has established a hedge accounting. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted through Other comprehensive income (refer to section 3.4.2 for more details).

Trade receivables increased mainly as a result of increased sales and newly acquired companies within the Group.

Further information on transactions with related parties is presented in section 4.24.

Trade receivables are not interest bearing and are usually payable within 30-60 days of recognition.

The risks associated with trade and other receivables, as well as the Group's policy relating to managing such risks, are described in section 4.25.

Information on liens established on receivables to secure credits and loans is presented in section 4.18.

4.15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31.12.2024	31.12.2023
	CZK´000	CZK´000
Cash in bank and in hand	1,229,999	1,071,099
Other	-	-
Total cash and cash equivalents	**1,229,999**	**1,071,099**

Free funds are held at bank and invested in the form of term and overnight deposits, primarily with variable interest rates.

Split by currency	31.12.2024	31.12.2023
	CZK´000	CZK´000
in CZK	494,488	370,504
in EUR	708,598	682,186
in PLN	7,470	16,464
in USD	19,311	1,813
other	132	132
Total cash and cash equivalents	**1,229,999**	**1,071,099**

4.16. EQUITY

4.16.1 SHARE CAPITAL

SHARE CAPITAL STRUCTURE

Share capital structure	2024		2023	
Type of shares	Shares	Par value	Shares	Par value
	pcs	CZK´000	pcs	CZK´000
Ordinary shares of Kofola ČeskoSlovensko a.s.	22,291,948	1,114,597	22,291,948	1,114,597
Total	**22,291,948**	**1,114,597**	**22,291,948**	**1,114,597**

Ordinary shares of Kofola ČeskoSlovensko a.s. have a par value of CZK 50 (as of 31 December 2023 value of CZK 50). Each share ranks pari passu in all respects with all other shares. The same rights are incorporated into all shares including the right to attend the General Meeting, to require and receive explanations of matters concerning the Company that are part of the agenda of the General Meeting, to submit proposals and counterproposals, and to receive a dividend and share in the liquidation surplus. In compliance with the relevant legal provisions, the voting rights attached to the shares owned by RADENSKA d.o.o. cannot be exercised.

All of the issued shares have been fully paid up.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.16.2 OTHER RESERVES

Other reserves are created based on statutory requirements (in accordance with binding legal regulations) or voluntarily (in accordance with the entity's by-laws) using funds from decreased share capital, generated profits and contributions made by the shareholders. It is used to cover losses, refund capital contributions, and redeem shares. Other reserves also contain balances accounted based on IFRS Accounting Standards requirements (e.g. share based payment).

Other reserves contain balances related to:

- share based payment programme (note 4.21), and
- valuation of the interest rate swaps (hedge accounting – note 4.25.1).

The Group has made a disaggregation of Other reserves in both 2024 and 2023.

4.16.3 OWN SHARES

As at 31 December 2024 the Company held 27 own shares. The Company didn't have any own shares as of 31 December 2023.

RADENSKA d.o.o. as at 31 December 2024 owned 1,025,239 (as at 31 December 2023: 1,062,236) shares of the Company (which represents 4.60% of the Company´s share capital, as of 31 December 2023: 4.77%) in total value of CZK 451,115 thousand (treasury shares) (as at 31 December 2023: CZK 467,382 thousand).

COURSE OF PURCHASE OF OWN SHARES IN 2024 (transaction performed within the Group)

Kofola ČeskoSlovensko a.s. has purchased 36,997 shares of its own shares (which represents 0.17% of the Company´s share capital) in the total value of CZK 10,063 thousand (CZK 272 per share) from RADENSKA d.o.o. in March 2024. The individual share price was determined based on the price quoted at Prague Stock Exchange. As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share. 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. Substantial majority of shares has been transferred to option scheme participants in March 2024.

4.16.4 DIVIDENDS

Dividends	2024	2023
	CZK´000	CZK´000
Dividends	446,601	286,601
Dividends per share (CZK/share)*	13.5	13.5
Advance dividend per share (CZK/share)*	7.5	-

* Declared dividends divided by the number of shares outstanding as of dividend record date.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.17. PROVISIONS

Movements in provisions	Pension benefits	Provision for personnel expenses (bonuses)	Other provisions	Total
	CZK´000	CZK´000	CZK´000	CZK´000
Balance as at 1 January 2024	**14,446**	**179,497**	**39,810**	**233,753**
Increase due to creation	3,078	214,733	17,412	235,223
Acquired through business combination	-	-	6,963	6,963
Decrease due to usage/release	(828)	(175,229)	(3,714)	(179,771)
Exchange differences	288	742	315	1,345
Balance as at 31 December 2024	**16,984**	**219,743**	**60,786**	**297,513**
Of which:				
Current part	1,540	219,743	2,177	223,460
Non-current part	15,444	-	58,609	74,053
Balance as at 31 December 2024	**16,984**	**219,743**	**60,786**	**297,513**

Provision for personnel expenses and other provisions (mainly shared based payments related provisions) increased due to positive Group results.

For further information about contingent liabilities refer to section 4.23.

4.18. BANK CREDITS AND LOANS

Indebtedness of the group from the credits and loans

As at 31 December 2024, the Group's total bank loans and credits amounted to CZK 4,769,045 thousand (as at 31 December 2023: CZK 3,601,260 thousand). Increase of the balance is a result of the regular loan repayment, overdraft, CAPEX tranche drawing, acquisition tranche drawing and FX revaluation.

The Facility loan agreement as amended (which refinanced loans at that time, served for a loan financing of RADENSKA d.o.o. acquisition and also the acquisition of ONDRÁŠOVKA a.s. and Karlovarská Korunní s.r.o) with carrying amount of CZK 4,087,007 thousand as at 31 December 2024 (as at 31 December 2023: CZK 3,384,730 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.

There is also a bank loan with the carrying amount of CZK 317,614 thousand as at 31 December 2024 (as at 31 December 2023: CZK 216,530 thousand) related to Kofola a.s. (SK) and newly drawn loan in 2024 of CZK 364,424 thousand related to Pivovary CZ Group a.s.

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 at 31 December 2024, the Group obtained a bank waiver for the breach of CAPEX ratio covenant for Kofola ČeskoSlovensko a.s. Bank credits and loans in Pivovary CZ Group a.s. were classified as current liabilities (CZK 364,424 thousand) as a result of CAPEX ratio covenant breach. The waiver related to CAPEX ratio in Pivovary CZ Group a.s. was obtained in April 2025. All other bank loan covenants were met in 2024.

As of 31 December 2023, the Group met all covenants.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financing entity	Credit currency	Face value	Carrying amount*	Interest terms	Maturity date	Collateral	Undrawn credit line
31.12.2024		CZK´000	CZK´000				CZK'000
ČSOB, a.s. + Česká spořitelna, a.s.**	CZK	-	-	1M PRIBOR + margin	6/2025	buildings, receivables, movable assets,	182,387
	EUR	317,613	317,614	1M EURIBOR + margin	6/2025	shares, bill of exchange, inventory	
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	897,791	895,508	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory	-
	EUR	1,933,142	1,928,052	3M EURIBOR*** + margin	6/2028		-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	98,691	98,691	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,	-
	EUR	96,724	96,724	3M EURIBOR*** + margin	6/2028	shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	108,889	108,889	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,	-
	EUR	166,415	166,415	3M EURIBOR*** + margin	6/2028	shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	165,600	165,600	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,	-
	EUR	183,627	183,627	3M EURIBOR*** + margin	6/2028	shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	444,600	443,501	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	368,000	364,424	3M PRIBOR + margin	12/2029, 12/2030	buildings, receivables, movable assets, shares, bill of exchange, inventory	136,000
Total		**4,781,092**	**4,769,045**				**500,775**
Out of it non-current			3,692,065				
Out of it current			1,076,981				

* Carrying amount of borrowings on variable interest rate approximates fair value. ** Administration by Česká spořitelna, a.s. There is a shared limit of CZK 500,000 thousand for Kofola a.s. (CZ), Kofola a.s. (SK) and Kofola ČeskoSlovensko a.s. which can be drawn in CZK and EUR. *** For part of the face value the interest rate swap was concluded (refer to section 4.25.1).

Financing entity	Credit currency	Face value	Carrying amount*	Interest terms	Maturity date	Collateral	Undrawn credit line
31.12.2023		CZK´000	CZK´000				CZK'000
ČSOB, a.s. + Česká spořitelna, a.s.**	CZK	-	-	1M PRIBOR + margin	6/2025	buildings, receivables, movable assets,	283,470
	EUR	216,530	216,530	1M EURIBOR + margin	6/2025	shares, bill of exchange, inventory	
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	1,025,791	1,022,486	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	EUR	1,897,834	1,891,290	3M EURIBOR*** + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory	-
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	126,889	126,889	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,	-
	EUR	122,088	122,088	3M EURIBOR*** + margin	6/2028	shares, bill of exchange, inventory	
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	88,000	88,000	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,	130,000
	EUR	133,977	133,977	3M EURIBOR + margin	6/2028	shares, bill of exchange, inventory	
Total		**3,611,109**	**3,601,260**				**413,470**
Out of it non-current			3,153,945				
Out of it current			447,315				

* Carrying amount of borrowings on variable interest rate approximates fair value. ** Administration by Česká spořitelna, a.s. There is a shared limit of CZK 500,000 thousand for Kofola a.s. (CZ), Kofola a.s. (SK), RADENSKA d.o.o. and Kofola ČeskoSlovensko a.s. which can be drawn in CZK and EUR. *** The interest rate swaps were concluded (refer to section 4.25.1).

Pledges of the Group

Pledges of the Group	31.12.2024*		31.12.2023*	
	Cost	Net book value	Cost	Net book value
	CZK´000	CZK´000	CZK´000	CZK´000
Property, plant and equipment*	5,530,325	2,650,221	4,215,877	1,302,748
Intangible assets (trademarks)	729,693	245,959	73,656	1,159
Inventories	365,091	352,605	369,529	361,270
Receivables**	860,064	860,051	671,796	671,783
Cash in bank	617,737	617,737	933,952	933,952
Total	**8,102,910**	**4,726,573**	**6,264,810**	**3,270,912**

*Balances related to the returnable packages are presented within Property, plant and equipment. ** Mostly trade receivables, without effect of loss allowances.

4.19. TRADE AND OTHER PAYABLES

Trade and other payables Other liabilities	31.12.2024		31.12.2023	
	Current	Non-current	Current	Non-current
	CZK´000	CZK´000	CZK´000	CZK´000
Financial liabilities within Trade payables and other liabilities				
Trade payables	1,695,008	309	1,460,027	-
- of that accrued expenses	*293,560*	*309*	*282,494*	*-*
Liabilities for purchased tangible and intangible assets	75,973	2,168	50,014	-
Derivatives	2,592	7,953	-	10,927
Advances received*	308,992	7,335	203,116	-
Contingent/deferred consideration	150,672	198,322	40,790	50,680
Other financial liabilities***	24,247	13,613	33,676	15,240
Total	**2,227,484**	**229,700**	**1,787,623**	**76,847**
Non-financial liabilities within Trade payables and other liabilities				
VAT	44,903	-	27,436	-
Payables to employees	141,856	-	92,457	-
Deferred revenue	10,427	-	5,548	-
Other non-financial liabilities**	127,249	-	69,321	-
Total	**324,435**	**-**	**194,762**	**-**
Trade and other payables and other liabilities total	**2,581,919**	**229,700**	**1,982,385**	**76,847**

* Mainly advances received for the returnable packages.
** Mainly payables to state authorities. *** Including government levies in Slovenia.

Trade payables increased due to higher purchases at the end of the year and also increased prices. The effect of newly acquired companies within the Group is approximately CZK 107 million. Contingent/deferred consideration represents liabilities connected with the acquisition of FILIP REAL a.s., PRAGEROVY SADY LIBINA s.r.o., Bilgola fresh s.r.o. and Pivovary CZ Group a.s. that are repayable in following years as per contract terms.

Increase of advances received is connected with the newly acquired companies within the Group (Pivovary CZ Group a.s.).

Trade payables are not interest bearing and are usually paid within 30-90 days of recognition.

Other payables are not interest bearing and are payable on average within 1 month.

4.20. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2024 and 31 December 2023 the Group companies didn't provide any material guarantees for third party entities.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.21. SHARE BASED PAYMENT

The following table summarizes the information about the share based payment plan 2021 – 2026.

Share based payment Plan 2021 - 2026 Summary of effect during 2024 and as of 31 December 2024	
Share price at grant date (CZK)	282; 276*
Number of Pair shares transferred to participants in 2024 (pcs)	36,997
Total cumulated number of Pair shares transferred to participants as of 31 Dec 2024 (pcs)	36,997
Fair value of Pair shares as of grant date (CZK)	140 – 200
Ends of vesting periods	31 Dec 2023, 31 Dec 2026
Number of Performance shares transferred to participants in 2024 (pcs)	-
Total cumulated number of Performance shares transferred to participants as of 31 Dec 2024 (pcs)	-
Fair value of Performance shares as of grant date (CZK)	185; 216*
Ends of vesting periods	31 Dec 2026
Cumulated reserve from equity settled transactions as of 31 Dec 2023 (CZK thousand)	174,861
Total expense/(income) from equity settled transactions in 2024 (CZK thousand)	81,821
Cumulated reserve from equity settled transactions as of 31 Dec 2024 (CZK thousand)	256,682

* For SBP participants joining the program on 1 January 2024.

Share based payment Plan 2021 - 2026 Summary of effect during 2023 and as of 31 December 2023	
Share price at grant date (CZK)	282
Number of Pair shares transferred to participants in 2023 (pcs)	-
Total cumulated number of Pair shares transferred to participants as of 31 Dec 2023 (pcs)	-
Fair value of Pair shares as of grant date (CZK)	140 - 200
Ends of vesting periods	31 Dec 2023, 31 Dec 2026
Number of Performance shares transferred to participants in 2023 (pcs)	-
Total cumulated number of Performance shares transferred to participants as of 31 Dec 2023 (pcs)	-
Fair value of Performance shares as of grant date (CZK)	185
Ends of vesting periods	31 Dec 2026
Cumulated reserve from equity settled transactions as of 31 Dec 2022 (CZK thousand)	16,349
Total expense/(income) from equity settled transactions in 2023 (CZK thousand)	158,512
Cumulated reserve from equity settled transactions as of 31 Dec 2023 (CZK thousand)	174,861

Significant increase of the share based payment balance in 2023 and 2024 is connected with the positive development of the Group's business and its expected continuance in the upcoming years which influences the Performance Shares Plan due to increase of expected Equity Value (EBITDA multiple decreased by the Net debt) as of 31 Dec 2026.

4.22. LEASES

This note provides information about leases where the Group is a lessee. Leases where the Group is a lessor are not significant.

4.22.1 AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

Right-of-use asset forms a part of Property, plant and equipment. Lease liabilities are presented on separate rows in the statement of financial position.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The net carrying amount at the end of the reporting period by classes of assets is provided below:

Net carrying amount by classes of assets	31.12.2024	31.12.2023
	CZK´000	CZK´000
Land	24,273	25,403
Buildings and constructions	182,520	177,536
Plant and equipment	8,434	22,369
Vehicles	162,789	108,859
Total	**378,016**	**334,167**

Additions to the right-of-use assets were following:

Additions by classes of assets for the period	Land	Buildings and constructions	Plant and equipment	Vehicles	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
2024	-	73,496	8,260	114,615	**196,371**
2023	2,255	50,661	6,913	35,774	**95,603**

4.22.2 AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

Depreciation expense to the right-of-use assets during the 2024 and 2023 financial year was following:

Depreciation expense by classes of assets	Land	Buildings and constructions	Plant and equipment	Vehicles	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
2024	1,253	67,686	22,455	43,784	**135,178**
2023	1,193	62,815	21,219	46,274	**131,501**

Interest expense to lease liabilities is presented in note 4.7.

The statement of profit or loss further shows the following amounts relating to not capitalized leases:

Expense relating to not capitalized leases	2024	2023
	CZK´000	CZK´000
Expense relating to short-term leases, leases of low-value assets and variable lease payments	113,718	98,431
Total	**113,718**	**98,431**

Total cash outflows in relation to capitalized leases are presented in the section Cash flows from financing activities within the Consolidated statement of cash flows. Future cash outflows in relation to capitalized leases are presented within section 4.25.4. Total cash outflows in relation to other leases is close to balance stated in the table above (short-term leases, leases of low-value assets and variable lease payments).

Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities are mostly represented by variable lease payments presented in the table above and their value is expected to not significantly differ from the balance presented in 2023 adjusted for newly concluded and terminated lease contracts.

Lease commitments for short-term leases and leases of low-value assets as of 31 December 2024 amounted to CZK 43,324 thousand (as of 31 December 2023: CZK 33,695 thousand).

4.23. 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 6 partial decisions issued in 2019, 2020 and 2021, 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 decisions of the authorities were contested before the administrative court by the parties, including Radenska whereby as of the date of reporting 5 proceedings were finally resolved without any negative consequences for RADENSKA and 1 proceeding is still pending. RADENSKA is therefore still actively participating in the process that remains open 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 its insolvency trustee claimed that the settlement in 2018 was not in his interest and discriminative for other creditors. After the court of first instance partially granted plaintiff claim to the amount of 270.000 EUR (+ VAT) with default interest from 2018 (accrued interest amounted to approximately 140.000 EUR) the parties agreed to a settlement according to which RADENSKA agreed to pay 250.000 EUR (+ VAT) and 20.000 EUR of default interest. With the payment of the settlement amount in July 2024 the matter was finally resolved.

4.24. RELATED PARTY TRANSACTIONS

4.24.1 SHAREHOLDERS STRUCTURE

The Company was part of the group controlled by AETOS a.s. („Group“) till 19 August 2024. On 19 August 2024, AETOS a.s. and its shareholders have initiated steps to restructure the ownership structure of the Group, which includes Kofola ČeskoSlovensko a.s. The aim of these steps was to ensure succession and the management of family assets for the next generation through a family foundation named FILÍA Foundation. Lykos alfa a.s. acquired the assets and liabilities of AETOS a.s. on 19 August 2024 and thus become the majority shareholder of Kofola ČeskoSlovensko a.s. The shareholders structure of Lykos alfa a.s. and AETOS a.s. are identical. Regarding Kofola ČeskoSlovensko a.s., this restructuring does not represent a change, as the majority of voting rights in Kofola ČeskoSlovensko a.s. remained under the control of the current shareholders of AETOS a.s. Actually, there was no change in shareholders of Lykos alfa compared to shareholders of Aetos. This means that there was no change in the ownership or control of Kofola ČeskoSlovensko a.s., nor any other changes that could affect Kofola ČeskoSlovensko a.s.

Share capital structure			**31.12.2024**			**31.12.2023**
Name of entity	**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
Lykos alfa a.s.*	14,984,204	67.22	70.46	-	-	-
RADENSKA d.o.o.	1,025,239	4.60	0.00	1,062,236	4.77	0.00
Others	6,282,505	28.18	29.54	6,245,508	28.01	29.42
Total	**22,291,948**	**100.00**	**100.00**	**22,291,948**	**100.00**	**100.00**

Transactions with own shares are described in section 4.16.3.

4.24.2 REMUNERATION OF THE COMPANY'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration of Group´s key management personnel in 2024 and 2023.

Remuneration of the Group´s key management personnel 2024	compensation	Members of the Company´s Board of Directors CZK´000	Members of the Company´s Supervisory Board CZK´000	Members of the Company´s Audit Committee CZK´000	Other key management personnel of the Group CZK´000	Total CZK´000
Amounts paid for activities in the Company´s Board of Directors	Financial	37,856	-	-	-	**37,856**
	Non-financial	5,058	-	-	-	**5,058**
Amounts paid for activities in the Company´s Supervisory Board	Financial	-	1,200	-	-	**1,200**
	Non-financial	-	287	-	-	**287**
Amounts paid for activities in the Company´s Audit Committee	Financial	-	-	534	-	**534**
	Non-financial	-	-	-	-	**-**
Amounts paid for other activities within the Group	Financial	19,306	8,295	1,832	55,786	**85,219**
	Non-financial	77	214	19	6,923	**7,233**
Total expense/(income) from equity settled transactions (Share based payment)	Share based payment	17,963	-	-	63,854	**81,817**
Shares transfer to share based payment participants	Share based payment	(4,150)	-	-	(5,913)	**(10,063)**
Cumulated reserve from equity settled transactions	Share based payment	74,560	-	-	182,916	**257,476**

Remuneration of the Group´s key management personnel 2023	compensation	Members of the Company´s Board of Directors CZK´000	Members of the Company´s Supervisory Board CZK´000	Members of the Company´s Audit Committee CZK´000	Other key management personnel of the Group CZK´000	Total CZK´000
Amounts paid for activities in the Company´s Board of Directors	Financial	27,251	-	-	-	**27,251**
	Non-financial	857	-	-	-	**857**
Amounts paid for activities in the Company´s Supervisory Board	Financial	-	1,200	-	-	**1,200**
	Non-financial	-	287	-	-	**287**
Amounts paid for activities in the Company´s Audit Committee	Financial	-	-	288	-	**288**
	Non-financial	-	-	-	-	**-**
Amounts paid for other activities within the Group	Financial	6,470	5,795	1,936	35,417	**49,618**
	Non-financial	98	214	56	1,683	**2,051**
Total expense from equity settled transactions (Share based payment)	Share based payment	50,771	-	-	107,741	**158,512**
Shares transfer to share based payment participants	Share based payment	-	-	-	-	-
Cumulated reserve from equity settled transactions	Share based payment	63,839	1,010	–	120,869	**185,718**

4.24.3 OTHER RELATED PARTY TRANSACTIONS

There was a dividend payment to parent company of CZK 314,668 thousand (in 2023: CZK 202,287 thousand).

In 2024, there were purchases from General Plastic, a. s. of CZK 112,832 thousand, sales of CZK 16,700 thousand, receivables as of 31 December 2024 amounted to CZK 3,702 thousand and payables to CZK 18,497 thousand.

In 2024, there were also purchases from MIXA VENDING s.r.o., of CZK 935 thousand, sales of CZK 12,396 thousand, receivables as of 31 December 2024 amounted to CZK 5,484 thousand and payables to CZK 23 thousand.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.25. FINANCIAL RISK MANAGEMENT

The Group's primary financial instruments consist of bank credits, lease payables, derivatives, cash and cash equivalents, deposits and loans. The main goal of holding such financial instruments is to obtain funds for business operations, or to invest the Group's available funds. In addition, the Group has other financial instruments, such as trade receivables and payables that arise as part of its operations. The accounting methods relating to those instruments are described above (section 3.4.2).

It is the Group's policy – now and throughout the reporting periods presented in these financial statements – not to keep the financial instruments for trading purposes.

The Group's activities are exposed to several types of financial risk: market risk (including foreign exchange risk, and cash-flow risk relating to changes in interest rates), credit risk and liquidity risk. In addition, the Group monitors the market prices risk relating to all of its financial instruments. Risks are managed by the Group's management, which recognises and assesses the above financial risks. The general risk management process is focused on the unpredictability of financial markets, and the Group tries to minimise any potential adverse effects on its financial results. The Group uses derivative financial instruments to hedge against certain types of risk, providing that the hedging instruments are considered to be cost effective. Management verifies and agrees the risk management methods with regard to every type of risk. A short description of these methods is presented below.

4.25.1 INTEREST RATE RISK

Interest rate risk is a risk that the fair value or future cash flows from a financial instrument will change due to changes in interest rates. The interest-bearing financial liabilities of the Group are mainly bank credits. The Group has credit payables with variable interest rates, which give rise to a risk of an increase in those rates compared to the rates applied at contract conclusion. In addition, the Group places its free funds on variable interest rate deposits, which would bring the profits down if the interest rates fall. The Group also uses fixed interest rate instruments, with regard to which interest rate movements have no effect on interest costs or interest income. Trade and other receivables and payables are not interest bearing and have mostly due dates of up to one year.

Management of the Group monitors its exposure to interest rate risk and interest rate forecasts. In order to protect against changes in interest rates, the Group has fixed the interest rate on EUR part of the loan (excluding overdraft) for Group financing, because existing contract terms were favourable for the Group which was not the case of CZK part where the interest rates were on their maximum levels. The balance of the loan which is covered by interest rate swaps as of 31 December 2024 was CZK 2,759,293 thousand (as of 31 December 2023: CZK 2,019,922 thousand). Hedge accounting is established by the Group for these derivative instruments. There was no ineffective portion of the hedging relationship for the year ended 31 December 2024 and 31 December 2023.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, maturities and the notional amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item under the hypothetical derivative method.

The Group's interest rate risk management policy is to hedge at least 50% of its variable interest exposure that is related to Group's bank credit and loans (excluding overdrafts). Hedging instruments are utilizied when the conditions of available contracts are considered to be favourable for the Group.

Information about hedging instruments (cash flow hedge)

Interest rate swaps		31.12.2024		31.12.2023
	Net exposure	Average fixed interest rate	Net exposure	Average fixed interest rate
	CZK´000	p.a.	CZK´000	p.a.
In period from one to six months	*70,749	4.1%	*13,565	4.0%
In period from six to twelve months	*70,749	4.1%	*13,565	4.0%
More than one year	*2,617,795	4.2%	*1,992,792	3.9%
Total	**2,759,293**		**2,019,922**	

** IRS relate to the part of the bank credits and loans that is repayable in 6/2028, 12/2029 and 12/2030.*

Interest rate swaps – nominal balances		31.12.2024		31.12.2023
	CZK'000	EUR'000	CZK'000	EUR'000
Nominal amounts of the hedging instruments	379,385	94,497	**-**	**81,696**

Interest rate swaps by tranches	Net exposure	31.12.2024 Carrying amount	Net exposure	31.12.2023 Carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000
Derivative in relation to tranche B2	770,396	(1,343)	756,325	5,711
Derivative in relation to tranche B6	1,162,746	(1,301)	1,141,509	8,619
Derivative in relation to tranche C1	96,724	(2,639)	122,088	(3,018)
Derivative in relation to tranche C2	166,415	(2,432)	-	-
Derivative in relation to tranche D	111,150	(1,930)	-	-
Derivative in relation to tranche C3	183,627	(754)	-	-
Derivative in relation to tranche B	188,235	(134)	-	-
Derivative in relation to tranche C1	80,000	(48)	-	-
Total	**2,759,293**	**(10,581)**	**2,019,922**	**11,312**

Carrying amounts and FS position of IRS	31.12.2024	31.12.2023
	CZK´000	CZK´000
Non-current financial assets (presented in Other receivables)	-	-
Current financial assets (presented in Trade and other receivables)	-	22,239
Non-current financial liabilities (presented in Other liabilties)	(7,954)	(10,927)
Current financial liabilities (presented in Trade and other payables)	(2,592)	-
Net balance	**(10,546)**	**11,312**

Hedge effectiveness and Hedge ratio of IRS	31.12.2024	31.12.2023
	CZK´000	CZK´000
Change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness for the period	*(21,710)	*(74,384)
Change in fair value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	*(21,710)	*(74,384)
Hedge ratio	**100%	**100%

** There was no ineffective portion of the hedging relationship.*
*** The Group is able to conclude the derivative contracts with the same characteristics (such as maturities and notional amounts) as those of the underlying assets.*

Changes in IRS hedge reserve	2024	2023
	CZK´000	CZK´000
IRS reserve balance as of 1 January	**8,935**	**69,413**
Effective portion of changes in fair value	(21,710)	(74,384)
Recclasification to profit or loss	-	-
Tax effect of fair value movements during the year	4,559	14,133
Tax effect resulting from change in the tax rate	-	(227)
IRS reserve balance as of 31 December	**(8,216)**	**8,935**

Interest rate sensitivity

If interest rates at the balance sheet date had been 100 basis points lower/higher with all other variables held constant, profit/(loss) for the period for the year 2024 would have been increased/decreased by CZK 16,302 thousand (2023: CZK 14,876 thousand), mainly as a result of different interest expense on variable interest for financial liabilities.

4.25.2 CURRENCY RISK

The Group is exposed to the risk of changes in foreign exchange rates due to a volume of sales of finished products in local currencies of individual entities (CZK, EUR, PLN) and the fact that significant part of the costs of purchased raw materials are incurred in foreign currencies (mainly EUR). The currency risk relates primarily to the EUR exchange rates in relation to CZK. The Group's currency risk associated with other currencies is immaterial.

The effect of currency risk on the Group's position is presented in the table (sensitivity analysis) below. The sensitivity analysis is based on a reasonable change in the assumed foreign exchange rate while the other assumptions remain unchanged. In practice this is not very likely, and changes in certain assumptions may be correlated, e.g. a change in interest rate and in the foreign exchange rate. The Group manages currency risk as a whole. The sensitivity analysis prepared by management for currency risk illustrates after-tax profit or loss effect of changes in the exchange rate of the EUR to CZK.

Financial assets and liabilities denominated in EUR	31.12.2024	31.12.2023
	CZK´000	CZK´000
Cash and cash equivalents	106,990	256,101
Loans provided to related parties	298,239	601,204
Trade receivables and other current financial receivables	71,801	252,373
Non-current financial receivables	1,020	963
Bank credits and loans	(2,379,909)	(2,152,156)
Lease liabilities	(118,897)	(110,939)
Loans received from related parties	(41,437)	(516,899)
Trade liabilities and other current financial liabilities	(286,398)	(260,245)
Non-current financial liabilities	-	(10,927)
Net position	**(2,348,591)**	**(1,940,525)**

* Table includes also intercompany balances that are eliminated during the consolidation process because FX differences arising on intercompany balances and transactions are not eliminated during the consolidation procedures which is in line with IFRS.

Currency risk impact on profit or loss	31.12.2024	31.12.2023
	CZK´000	CZK´000
EUR strengthening by 3%	(55,662)	(47,155)
EUR weakening by 3%	55,662	47,155

4.25.3 CREDIT RISK

Credit risk arises from cash deposits in banks along with other short-term deposits, as well as from trade and other financial receivables.

The Group undertakes activities aimed at limiting credit risk, consisting of checking the creditworthiness of its customers, setting credit limits and monitoring the customers' financial position. An analysis of ageing structure of trade and other financial receivables assists with the credit risk management.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

TRADE AND OTHER FINANCIAL RECEIVABLES

The Group is exposed to credit risk, defined as a risk that its debtors will not meet their obligations and thus cause the Group to incur losses.

Presented below is the ageing structure of receivables:

Credit risk	31.12.2024		31.12.2023	
	Trade receivables	Other financial receivables	Trade receivables	Other financial receivables
Due	CZK´000	CZK´000	CZK´000	CZK´000
Total due	**1,082,066**	**77,515**	**794,468**	**74,049**
- less than 30 days overdue	105,542	152	106,026	433
- 30 to 90 days overdue	26,584	884	19,035	754
- 91 to 180 days overdue	7,307	1,169	16,341	462
- 181 to 360 days overdue	5,367	860	5,614	2,505
- over 360 days overdue	29,790	30,164	28,345	29,048
Total past due	**174,590**	**33,229**	175,361	33,202
Less loss allowance (-)	**(41,558)**	**(36,219)**	**(51,902)**	**(38,126)**
Total	**1,215,098**	**74,525**	**917,927**	**69,125**

Subject to the above, management believes that the credit risk has been accounted for in the financial statements through the creation of appropriate allowances.

CASH AND CASH EQUIVALENTS

With regard to the Group's other financial assets, such as cash and cash equivalents, credit risk arises as a result of the other party's inability to pay, and the maximum amount of the Group's exposure to this risk is equal to the balance sheet value of these amounts.

The credit risk associated with bank deposits, derivative instruments and other investments is considered to be immaterial, as the Group has concluded transactions with institutions that have a sound financial position.

Credit quality of cash in bank and in hand	31.12.2024	31.12.2023
Credit rating	CZK´000	CZK´000
Aa3	-	636
A1	703,678	663,868
A2	28,162	12,356
A3	167,370	7,104
Baa1	317,826	380,929
Cash in hand	12,963	6,206
Total cash in bank and in hand	**1,229,999**	**1,071,099**

4.25.4 LIQUIDITY RISK

The risk for the Group arises from a potential restriction in access to financial markets or from a change in the attitude of banks in the area of granting credits, which may result in an inability to obtain new financing or refinancing of debts.

Management of the Group monitors the risk of insufficient funds by adjusting the structure of financing to prediction of future cash flows (planned investments included), diversifying of sources of financing and by keeping sufficient level of available credit lines.

It is the Group's objective to maintain a balance between financing continuity and flexibility, by using various financing sources, such as credits, loans and lease agreements. The Group controls its financial liabilities so that in each given period the amount of liabilities due within the next 12 months does not pose a threat for the Group's ability to meet its financial obligations. The Group's management believes that the value of cash and cash equivalents as at the balance sheet date, the available credit lines as at 31 December 2024 of CZK 500,775 thousand (as at 31 December 2023: CZK 413,469 thousand) and the Group's financial position are such that the risk of losing liquidity is assessed as not significant.

Analysis of financial liabilities is presented below. The amounts represent undiscounted cash flows, which represent the Group's maximum exposure to liquidity risk.

Future cash outflows related to financial liabilities:

Contractual cash flows of financial liabilities as at 31 December 2024	Less than 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash-flows	Total carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Trade payables	1,685,099	9,909	309	-	-	1,695,317	1,695,317
Bank credits and loans	99,418	983,865	3,697,809	-	-	4,781,092	4,769,045
Lease liabilities	30,746	98,748	125,083	175,464	88,845	518,886	414,626
Advances received	308,992	-	7,335	-	-	316,327	316,327
Other liabilities	103,623	149,861	52,180	8,471	161,405	525,540	475,540
Total	**2,277,878**	**1,242,383**	**3,882,716**	**183,935**	**250,250**	**7,837,162**	**7,670,855**

Contractual cash flows of financial liabilities as at 31 December 2023	Less than 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash-flows	Total carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Trade payables	1,451,572	8,455	-	-	-	1,460,027	1,460,027
Bank credits and loans	114,288	523,746	358,312	3,198,572	-	4,194,918	3,601,260
Lease liabilities	32,666	91,990	88,175	108,918	52,530	374,279	329,543
Advances received	203,116	-	-	-	-	203,116	203,116
Other liabilities	79,070	45,410	24,333	24,921	27,593	201,327	201,327
Total	**1,880,712**	**669,601**	**470,820**	**3,332,411**	**80,123**	**6,433,667**	**5,795,273**

The cash outflows schedules above do not include financial guarantees, where the fair value was determined to be close to zero and which are listed in section 4.20.

4.26. CAPITAL MANAGEMENT

The Group manages capital by having a balanced financial policy with the objective of supplying the necessary funds to grow the business and, at the same time, secure an appropriate capital structure and financial liquidity and meet all the externally imposed capital requirements.

The Group manages net debt and monitors the net debt/adjusted EBITDA ratio.

The net debt is defined as the total value of liabilities arising out of credits, loans, bonds and leases, less cash and cash equivalents. Adjusted EBITDA is operating profit/(loss) plus depreciation and amortisation adjusted by all one-off events (all non-recurring or exceptional items not arising out of ordinary operations, such as impairment write downs, costs of relocation, extraordinary sale of non-current assets or group layoffs).

Net debt/Adjusted EBITDA calculation	2024	2023
	CZK´000	CZK´000
Bank credits and loans	4,769,045	3,601,260
Lease liabilities	414,626	329,543
Cash and cash equivalents	(1,229,999)	(1,071,099)
Net debt	**3,953,672**	**2,859,704**
Operating profit/(loss)	1,243,056	747,203
Adjusted for:		
One off´s (EBITDA impact)	(66,138)	(34,220)
Depreciation and amortisation	674,076	540,421
Adjusted EBITDA	**1,850,994**	**1,253,404**
Net debt/Adjusted EBITDA	**2.14**	**2.28**

One-offs for 2024 (EBITDA impact):

- Insurance compensation connected to floods of CZK 174.9 million (CzechoSlovakia segment and Fresh & Herbs segment). This amount also includes CZK 50 million insurance compensation related to business interruption and also insurance compensations related to investments replacing damaged assets.
- Net gain on sold items of Property, plant and equipment of CZK 30.5 million recognized in all business segments.
- Gain on bargain purchase of PRAGEROVY SADY LIBINA s.r.o. of CZK 4.2 million (CzechoSlovakia segment).
- Gain on leasing of CZK 1 million (Adriatic segment).
- Costs connected to floods of CZK 108.2 million (CzechoSlovakia segment, Fresh & Herbs and Beers & Ciders segment). The amount does not include financial impacts of business interruption, replacement of damaged assets or necessary investments as a result of the floods.
- Advisory costs of CZK 11.4 million (CzechoSlovakia segment).
- Litigation costs of CZK 6.8 million (Adriatic segment).
- Insurance and transaction costs of CZK 6.1 million (Beers & Ciders segment).

- Restructuring costs of CZK 6 million (Fresh & Herbs and Beers & Ciders segment).
- Fixed assets provision costs of CZK 5.6 million (CzechoSlovakia segment).
- Insurance gain of CZK 2.3 million (Adriatic segment).
- Software licence fee costs of CZK 2.2 million (Beers & Ciders segment).
- Cost of fixed assets write off of CZK 0.4 million (Beers & Ciders segment).

One-offs for 2023 (EBITDA impact):

- Advisory costs of CZK 6,639 thousand (CzechoSlovakia and Adriatic segments).
- Restructuring costs of CZK 2,328 thousand (Fresh & Herbs segment).
- Net gain connected with the closed Grodzisk Wielkopolski plant of CZK 2,687 thousand (Fresh & Herbs segment).
- Net gain on sold items of Property, plant and equipment of CZK 10,617 thousand recognized in all business segments, mainly Fresh & Herbs.
- Gain on sale of the Grodzisk Wielkopolski plant of CZK 29,883 thousand (Fresh & Herbs segment).

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4.26.1 CASH AND NON-CASH FINANCING ACTIVITIES

Net debt reconciliation	Liabilities from financing activities		Cash and cash equivalents	Net debt
	Bank credits and loans	Lease liability		
As at 1.1.2024	**3,601,260**	**329,543**	**(1,071,099)**	**2,859,704**
Proceeds from loans and bank credits received	1,599,005	-	-	1,599,005
Repayment of loans and bank credits	(317,809)	-	-	(317,809)
Change in amortized costs	(2,198)	-	-	(2,198)
Repayment of lease liabilities	-	(147,215)	-	(147,215)
Lease additions	-	196,371	-	196,371
Lease terminations	-	(804)	-	(804)
Cash (inflow)/outflow	-	-	(149,924)	(149,924)
Foreign exchange adjustments	(111,213)	36,731	(8,976)	(83,458)
As at 31.12.2024	**4,769,045**	**414,626**	**(1,229,999)**	**3,953,672**

Net debt reconciliation	Liabilities from financing activities		Cash and cash equivalents	Net debt
	Bank credits and loans	Lease liability		
As at 1.1.2023	**3,550,025**	**371,457**	**(626,442)**	**3,295,040**
Proceeds from loans and bank credits received	285,807	-	-	285,807
Repayment of loans and bank credits	(294,868)	-	-	(294,868)
Change in amortized costs	2,618	-	-	2,618
Repayment of lease liabilities	-	(137,343)	-	(137,343)
Lease additions	-	95,603	-	95,603
Lease terminations	-	(2,693)	-	(2,693)
Cash (inflow)/outflow	-	-	(432,298)	(432,298)
Foreign exchange adjustments	57,678	2,519	(12,359)	47,838
As at 31.12.2023	**3,601,260**	**329,543**	**(1,071,099)**	**2,859,704**

4.27. FINANCIAL INSTRUMENTS

4.27.1 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.

31.12.2024	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	1,289,567	-	-	1,289,567
Cash and cash equivalents	1,229,999	-	-	1,229,999
Derivatives	-	10,489	-	10,489
Bank credits and loans	-	-	(4,769,045)	(4,769,045)
Lease liabilities	-	-	(414,626)	(414,626)
Trade and other payables	-	-	(2,476,639)	(2,476,639)
Total	**2,519,566**	**10,489**	**(7,660,310)**	**(5,130,255)**

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31.12.2023	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	964,813	-	-	964,813
Cash and cash equivalents	1,071,099	-	-	1,071,099
Derivatives	-	11,312	-	11,312
Bank credits and loans	-	-	(3,601,260)	(3,601,260)
Lease liabilities	-	-	(329,543)	(329,543)
Trade and other payables	-	-	(1,853,543)	(1,853,543)
Total	**2,035,912**	**11,312**	**(5,784,346)**	**(3,737,122)**

Fair value of derivatives

In 2018 and 2020, the Group concluded IRS contract and established a hedge accounting. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted through Other comprehensive income. With the amendment on bank loans in June 2022, also new IRS contracts were concluded. At the same time, the existing IRS were terminated and sold.

In 2024, new IRS contracts for tranche C2 with interest 2.780% p.a. + margin (for the first drawing in relation to EUR part of the loan) and 3.150% p.a. + margin (for the second drawing in relation to EUR part of the loan) and for tranche D with interest 4.240% p.a. + margin (in relation to CZK as drawing is in CZK) were concluded. In 2023, IRS contract for tranche C1 with interest 3.600% p.a. + margin (only in relation to EUR part of the loan) was concluded.

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.

4.28. HEADCOUNT

The average headcount in the Group was as follows:

Average headcount	2024	2023
Management Board of the Company	6	6
Management Boards of the Group entities	10	10
Administration	241	179
Sales, Marketing and Logistic department	1,557	1,153
Production division	970	686
Total	**2,784**	**2,034**

4.29. ACQUISITION OF SUBSIDIARIES

Acquisition of subsidiary PRAGEROVY SADY LIBINA s.r.o.

On 11 January 2024, the Company has acquired a 100% share in PRAGEROVY SADY LIBINA s.r.o., a company that owns apple orchards in the Úsovsko region.

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

Fair values and consideration	CZK´000
Property, plant and equipment	55,551
Inventories	566
Trade and other receivables – current	1,419
Cash and cash equivalents	1,041
Other receivables	613
Trade and other payables – current	(9,099)
Total identifiable net assets acquired	**50,091**
Consideration transferred	27,127
Deferred consideration liability – current	5,000
Deferred consideration liability – non-current	13,727
Total consideration	**45,854**

Acquisition of subsidiary Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o.

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

On 1 November 2023, the Company become a 51% owner in PIVOVARY TRIANGL s.r.o., a holding company for the purpose of the acquisition of company Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o. Consideration transferred amounted to CZK 5 thousand.

On 8 March 2024, the acquisition date, PIVOVARY TRIANGL s.r.o. became a 100% owner of Pivovary CZ Group a.s. and FONTÁNA PCZG s.r.o. The shareholders of PIVOVARY TRIANGL s.r.o. are Kofola ČeskoSlovensko a.s. (51%), RSJ PE SICAV a.s. (29%) and ÚSOVSKO a.s. (20%). Company Pivovary CZ Group a.s. develops the traditional beer brands Holba, Zubr and Litovel.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed of PIVOVARY CZ Group a.s. and FONTÁNA PCZG s.r.o. at the date of acquisition.

Fair value of assets and liabilities	CZK´000
Property, plant and equipment	915,436
Intangible assets	516,115
Inventories	175,375
Trade and other receivables – current	200,175
Trade and other receivables – non-current	10,293
Cash and cash equivalents	289,705
Deferred tax liabilities	(188,328)
Trade payables and other payables - current	(280,585)
Trade payables and other payables - non-current	(8,629)
Lease liabilities - current	(4,880)
Lease liabilities – non-current	(29,108)
Other liabilities - current	(20,712)
Provisions - current	(920)
Provisions – non-current	(6,043)
Total identifiable net assets acquired	**1,567,895**

The following table summarizes the consideration transferred (together with deferred consideration) and goodwill.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Goodwill calculation	CZK´000
Consideration transferred (cash) for 100% share in the acquired company	1,407,506
Deferred consideration liability -current	273,368
Deferred consideration liability – non-current	119,467
Total consideration for 100% share in the acquired company	1,800,341
Goodwill calculated using the proportionate share approach (attributable to the Group)	**118,547**

The non-controlling interest recognized at the acquisition date amounted to CZK 278,102 thousand. The measurement basis applied was proportionate interest in the recognized amount of the identifiable net assets of the acquirees.

The reason for the acquisition was the entrance into the new segment. With this acquisition, the Kofola Group wanted to expand its portfolio to include traditional Czech beer brands and strengthen its position on the Czech beverage market.Revenue of the acquirees for the period since the acquisition amounted to CZK 1,384,104 thousand. Should the acquisition be performed as of 1 January 2024, the Group's estimated revenue for the 12 months ended 31 December 2024 would be CZK 11,608,475 thousand.

Profit of the acquirees for the period since the acquisition is CZK 145,286 thousand.

4.30. UKRAINE CRISIS

War in Ukraine brought 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 led to price increases which was 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).

4.31. OTHER INFORMATION

Auditor´s remuneration

The Company was for the years ended 31 December 2024 and 31 December 2023 audited by KPMG Česká republika Audit, s.r.o. ("KPMG").

The following amounts were charged by professional advisors and auditors:

Auditors' remuneration	2024	2023
	CZK´000	CZK´000
Audit (KPMG)	5,910	4,599
Audit (Other companies)	375	325
Tax services (Other companies)	3,676	3,361
Other services (KPMG)	73	20
Other services (Other companies)	834	720
Total	**10,868**	**9,025**

Tax services include mainly advisory relating to preparation of corporate income tax returns, personal income tax for expats and various consultations in complex tax areas.

Electricity purchase contracts

The Group has concluded a general agreement on electricity deliveries and as such is not in risk of not having the electricity for production and other purposes. Price fixing is performed for various periods and on country by country basis for 20-50% of expected volumes.

4.32. SUBSEQUENT EVENTS

The Kofola Group has ended distribution of Rauch products and developed new own brand of fruit drinks and juices – Curiosa, which sells from January 2025. The management of the company does not expect any impact on revenue.

In January 2025, the Group has acquired a 100% stake in Krondorf a.s., a producer of mineral water.

In March 2025, the Group has acquired a 100% stake in VENDING, s.r.o., a sole shareholder of ASO VENDING s.r.o. In 2024, the Companies achieved a turnover of over EUR 18 million and an EBITDA indicator of over EUR 2 million. With an operation of approximately 8 thousand of vending machines, it is the largest operator of vending machines in Slovakia.

In March 2025, Kofola ČeskoSlovensko a.s. has purchased 26,844 shares of its own shares (which represents 0.12% of the Company´s share capital) in the total value of CZK 11,677 thousand (CZK 435 per share) from RADENSKA d.o.o. The individual share price was determined based on the price quoted at Prague Stock Exchange. As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share. 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. Substantial majority of shares has been transferred to option scheme participants in March 2025.

In March 2025, Zahradní OLLA s.r.o. changed its name to Tuselie s.r.o.

In April 2025, the Group has acquired a 80% share in PRAGEROVA SKLIZEŇ s.r.o., a company that owns orchards in the Úsovsko region, which are adjacent to the orchards of the PRAGEROVY SADY LIBINA s.r.o. and which operate its own store.

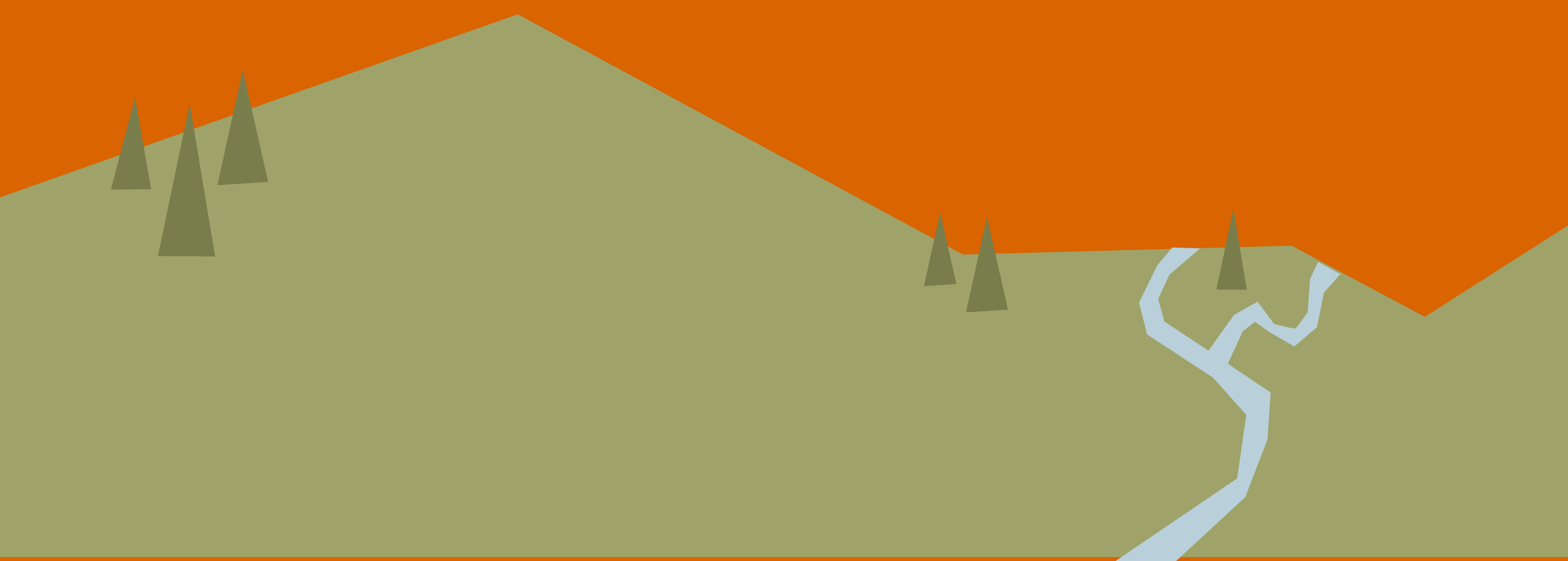
In April 2025, expiration of the office term of all members of the Board of Directors was prolonged to 1 April 2030.

No other events have occurred after the end of the reporting period that would require disclosure in the Board of directors' report.

21.5.2025	**Janis Samaras**	**Chair of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*
21.5.2025	**René Musila**	**Vice-Chair of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Daniel Buryš**	**Vice-Chair of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Pisklák**	**Member of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Mateáš**	**Member of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Marián Šefčovič**	**Member of the Board of Directors**	
date	*name and surname*	*position/role*	*signature*

SEPARATE FINANCIAL STATEMENTS 2024

KOFOLA ČESKOSLOVENSKO A.S.



1. SEPARATE FINANCIAL STATEMENTS

1.1. SEPARATE STATEMENT OF PROFIT OR LOSS

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Separate statement of profit or loss	Note	2024	2023
		CZK´000	CZK´000
Revenue	4.2	603,042	588,741
Cost of sales	4.3	(30,747)	(31,798)
Gross profit		**572,295**	**556,943**
Selling, marketing and distribution costs	4.3	(177,940)	(195,149)
Administrative costs	4.3	(348,154)	(376,582)
Dividends	4.2	496,384	332,873
Release of impairment	4.12	-	238,453
Other operating income	4.4	9,657	51,863
Other operating expenses	4.5	(12,513)	(8,027)
Operating profit/(loss)		**539,729**	**600,374**
Finance income	4.6	63,827	63,005
Finance costs	4.7	(278,843)	(248,380)
Profit/(loss) before income tax		**324,713**	**414,999**
Income tax (expense)/benefit	4.8	6,233	14,236
Profit/(loss) for the period		**330,947**	**429,235**
Earnings/(loss) per share (in CZK)			
Basic earnings/(loss) per share	4.9	14.85	19.26

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

1.2. SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Separate statement of other comprehensive income	Note	2024	2023
		CZK´000	CZK´000
Profit/(loss) for the period	1.1	**330,947**	**429,235**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Derivatives - Cash flow hedges		(21,710)	(74,384)
Deferred tax from cash flow hedging	4.8	4,559	13,906
Other comprehensive income/(loss) for the period		**(17,151)**	**(60,478)**
Total comprehensive income/(loss) for the period	1.5	**313,796**	**368,757**

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

1. SEPARATE FINANCIAL STATEMENTS

1.3. SEPARATE STATEMENT OF FINANCIAL POSITION

as at 31 December 2024 and 31 December 2023 in CZK thousand.

Assets	Note	31.12.2024	31.12.2023
		CZK´000	CZK´000
Non-current assets		**5,452,699**	**4,247,271**
Property, plant and equipment	4.10	89,534	56,404
Goodwill	4.11	30,675	30,675
Intangible assets	4.11	270,018	277,916
Investments in subsidiaries	4.12	4,624,187	3,747,391
Investments in equity accounted investees	4.13	150,263	35,263
Other receivables	4.14	94,463	99,622
Loans provided to related parties	4.14, 4.25.4	179,548	-
Deferred tax assets	4.8.4	14,011	-
Current assets		**794,334**	**1,466,619**
Inventories		4	-
Trade and other receivables	4.14	241,217	489,372
Loans provided to related parties	4.14, 4.25.4	357,010	610,778
Income tax receivables	4.8	3,354	-
Cash and cash equivalents	4.15	192,749	366,469
Total assets		**6,247,034**	**5,713,890**

Liabilities and equity	Note	31.12.2024	31.12.2023
		CZK´000	CZK´000
Total equity		**1,862,436**	**1,944,441**
Share capital	1.5	1,114,597	1,114,597
Other reserves	1.5	249,267	194,653
Own shares	1.5	(7)	-
Retained earnings/(Accumulated deficit)	1.5	498,579	635,191
Total liabilities		**4,384,598**	**3,769,449**
Non-current liabilities		**3,791,389**	**3,330,147**
Bank credits and loans	4.18, 4.26	3,692,064	3,153,945
Lease liabilities	4.22, 4.26	11,536	4,067
Provisions	4.17	35,765	21,353
Trade and other payables	4.19	52,023	61,607
Loans received from related parties	4.19	-	86,538
Deferred tax liabilities	4.8	-	2,637
Current liabilities		**593,209**	**439,302**
Bank credits and loans	4.18, 4.26	394,944	230,785
Lease liabilities	4.22, 4.26	7,643	10,414
Provisions	4.17	77,703	79,949
Trade and other payables	4.19	112,920	99,904
Loans received from related parties	4.19	-	2,521
Income tax liabilities	4.8	-	15,729
Total liabilities and equity		**6,247,034**	**5,713,890**

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

1.4. SEPARATE STATEMENT OF CASH FLOWS

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Separate statement of cash flows	Note	2024	2023
		CZK´000	CZK´000
Cash flows from operating activities*			
Profit/(loss) before income tax	1.1	324,713	414,999
Adjustments for:			
Non-cash movements			
Depreciation and amortisation	4.3	32,038	49,823
Net interest	4.6, 4.7	216,551	176,955
Dividends	4.2	(496,384)	(332,873)
Release of impairment	4.12	-	(238,453)
Change in the balance of provisions and other adjustments		11,766	8,079
Derivatives	4.6, 4.7	(32,521)	(19,752)
Realised (gain)/loss on sale of Property, plant and equipment and Intangible assets	4.4, 4.5	(8,165)	(396)
Net exchange differences		26,532	27,186
Share based payment	4.3	43,677	99,204
Other		(19,277)	1,500
Cash movements			
Income tax		(24,939)	(5,011)
Change in operating assets and liabilities			
Change in receivables		43,089	(50,874)
Change in inventories		-	4
Change in payables		(17,297)	7,442
Net cash inflow/(outflow) from operating activities		**99,783**	**137,833**
Cash flows from investing activities			
Sale of Property, plant and equipment		29,232	467
Acquisition of Property, plant and equipment and Intangible assets		(63,107)	(50,451)
Acquisition of subsidiaries	4.28	(456,859)	(23,005)
Acquisition of equity accounted investees	4.13	(115,000)	(1,213)
Dividends and interest received		710,197	382,117
Proceeds from repaid loans		21,303	152,038
Loans granted		(291,362)	(9,370)
Capital contributions	4.13	-	(34,050)
Net cash inflow/(outflow) from investing activities		**(165,595)**	**416,533**
Cash flows from financing activities			
Lease payments	4.22	(12,600)	(12,786)
Proceeds from loans and bank credits	4.26	979,842	368,862
Repayment of loans and bank credits	4.26	(406,868)	(182,649)
Dividends paid to the shareholders of the Company	4.16.4	(449,830)	(300,941)
Interest paid		(245,354)	(215,090)
Realized derivatives	4.6, 4.7	32,521	19,752
Terminated derivatives	4.7	-	-
Purchase of own shares		(10,063)	-
Other		4,444	(2,510)
Net cash inflow/(outflow) from financing activities		**(124,951)**	**(325,362)**
Net increase/(decrease) in cash and cash equivalents		**(173,719)**	**229,004**
Cash and cash equivalents at the beginning of the period	1.3	**366,469**	**137,465**
Cash and cash equivalents at the end of the period	1.3	**192,749**	**366,469**

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

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

1.5. SEPARATE STATEMENT OF CHANGES IN EQUITY

for the 12-month period ended 31 December 2024 and 31 December 2023 in CZK thousand.

Separate statement of changes in equity	Note	Share capital	Interest rate swaps	Share based payment	Own shares	Retained earnings/ (Accumulated deficit)	Total equity
		CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Balance as at 1 January 2023		**1,114,597**	**69,413**	**27,206**	**-**	**506,411**	**1,717,627**
Profit/(loss) for the period	1.1	-	-	-	-	429,235	**429,235**
Other comprehensive income/(loss)	1.2	-	(60,478)	-	-	-	**(60,478)**
Total comprehensive income/(loss) for the period		**-**	**(60,478)**	**-**	**-**	**429,235**	**368,757**
Dividends	4.16.4	-	-	-	-	(300,941)	**(300,941)**
Share based payment	4.21	-	-	158,512	-	-	**158,512**
Transactions with owners in their capacity as owners		**-**	**-**	**158,512**	**-**	**(300,941)**	**(142,429)**
Uncollected dividends		-	-	-	-	486	486
Balance as at 31 December 2023		**1,114,597**	**8,935**	**185,718**	**-**	**635,191**	**1,944,441**
Balance as at 1 January 2024		**1,114,597**	**8,935**	**185,718**	**-**	**635,191**	**1,944,441**
Profit/(loss) for the period	1.1	-	-	-	-	**330,947**	**330,947**
Other comprehensive income/(loss)	1.2	-	(17,151)	-	-	-	**(17,151)**
Total comprehensive income/(loss) for the period		**-**	**(17,151)**	**-**	**-**	**330,947**	**313,796**
Own shares purchase		**-**	-	-	(10,063)	-	**(10,063)**
Dividends	4.16.4	**-**	-	-	-	(468,131)	**(468,131)**
Share based payment	4.21	-	-	81,821	-	-	**81,821**
Share transfer to SBP participacts		-	-	(10,056)	10,056	-	**-**
Transactions with owners in their capacity as owners		**-**	**-**	**71,765**	**(7)**	**(468,131)**	**(396,373)**
Uncollected dividends		-	-	-	-	572	**572**
Balance as at 31 December 2024		**1,114,597**	**(8,216)**	**257,483**	**(7)**	**498,579**	**1,862,436**

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

Dividend distribution

On 8 October 2024, the Board of Directors of Kofola ČeskoSlovensko a.s. decided to pay the advance dividend payment in the amount of CZK 7.5 per share, i.e. CZK 167,190 thousand.

The General Meeting held on 28 June 2024 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand.

The General Meeting held outside of the meeting during 4 – 19 September 2023 has approved a distribution of dividends in the amount of CZK 13.5 per share, i.e. CZK 300,941 thousand.

2.1. CORPORATE INFORMATION

GENERAL INFORMATION

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: 3157005DO9L5OWHBQ359. Company's principal place of business is Ostrava.

Main area of activity of Kofola ČeskoSlovensko a.s. in 2024 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.

Kofola ČeskoSlovensko a.s. is the parent of the Kofola Group. Besides the traditional markets of the Czech Republic and Slovakia, the Group is also present in Slovenia, Croatia and in Poland. The Group produces drinks in fourteen production plants and key trademarks include Kofola, Jupí, Jupík, Rajec, Radenska, Semtex energy drink, Vinea, Ondrášovka and Korunní. On selected markets, the Group distributes among others Rauch, Evian, Café Reserva and Dilmah products and under the licence produces Royal Crown Cola or Orangina. Besides traditional non-alcoholic drink segment, Group is also entering new smaller segments through the acquisition of coffee plantations and apple orchards, but with its latest acquisition of Pivovary CZ Group realized in March 2024, is also entering the beer segment. Pivovary CZ Group develops the traditional beer brands Holba, Zubr and Litovel. These brands have been brewed here for more than 130 years using traditional methods and the highest quality ingredients, mainly from local sources.

Based on the information known to the Board of Directors of the Company acting with due care, the ultimate parent of the Company was AETOS a.s. till 19 August 2024. On 19 August 2024, AETOS a.s. and its shareholders have initiated steps to restructure the ownership structure of the Group, which includes Kofola ČeskoSlovensko a.s. The aim of these steps was to ensure succession and the management of family assets for the next generation through a family foundation named FILÍA Foundation. Lykos alfa a.s. acquired the assets and liabilities of AETOS a.s. on 19 August 2024 and thus become the majority shareholder of Kofola ČeskoSlovensko a.s. The shareholders structure of Lykos alfa a.s. and AETOS a.s. are identical. The ownership structure is described in section 4.25.1.

STOCK EXCHANGE LISTING

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

MANAGEMENT

As at 31 December 2024, 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

- Zuzana Prokopcová – Chair
- Petr Šobotník
- Lenka Frostová

2.2. GROUP STRUCTURE

Description of the group companies

Name of entity	Place of business	Segment Section 4.1	Principal activities	Ownership interest and voting rights 31.12.2024	Ownership interest and voting rights 31.12.2023
Holding companies					
Kofola ČeskoSlovensko a.s.	Czech Republic	CzechoSlovakia	top holding company		
Cafe Dorado s.r.o.[1]	Czech Republic	n/a	holding company	50.00%	50.00%
PIVOVARY TRIANGL s.r.o.[3]	Czech Republic	Beers & Ciders	holding company	51.00%	51.00%
Bilgola fresh s.r.o.[5]	Czech Republic	n/a	holding company	100.00%	100.00%
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.[6]	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	Beers & Ciders	production and distribution of ciders and kombucha	100.00%	100.00%
Semtex Republic s.r.o.	Czech Republic	CzechoSlovakia	marketing activities	100.00%	100.00%
Zahradní OLLA s.r.o.[2]	Czech Republic	n/a	production and distribution of self-watering clay pots	34.00%	34.00%
FILIP REAL a.s.[3]	Czech Republic	CzechoSlovakia	hotel operation	100.00%	100.00%
Bylinkárna s.r.o.	Czech Republic	Fresh & Herbs	products completion and packaging	100.00%	100.00%
General Plastic, a. s.[4]	Slovakia	n/a	production of hot-washed PET flakes and PET preforms	33.33%	33.33%
AGRITROPICAL S.A.S.[5]	Colombia	n/a	coffee plantations	25.00%	25.00%
PIVOVARY CZ Group a.s.[7]	Czech Republic	Beers & Ciders	production and distribution of traditional beer brands Zubr, Holba and Litovel	51%	n/a
FONTÁNA PCZG s.r.o.[7]	Czech Republic	Beers & Ciders	wholesale of beer and soft drinks	51%	n/a
Supplo s.r.o.[8]	Czech Republic	CzechoSlovakia	B2B sales of products and services through the Marketplace model	100%	n/a
PRAGEROVY SADY LIBINA s.r.c	Czech Republic	Fresh & Herbs	apple orchards	100%	n/a
MIXA VENDING s.r.o.[8]	Czech Republic	CzechoSlovakia	vending machines operator	49%	n/a
PRAGER's s.r.o.[7]	Czech Republic	Beers & Ciders	production of fermented beverages	100%	n/a
Transportation					
SANTA-TRANS s.r.o.	Czech Republic	CzechoSlovakia	road cargo transport	100.00%	100.00%

[1]Established in Jun 2023. [2] Acquired in Sep 2023. [3] Established in Nov 2023. 4 Acquired in May 2023. 5 Acquired in Dec 2023. 6 Effective share of Kofola Group in UGO trade s.r.o. is 100% after the acquisition of Bilgola fresh s.r.o. in Dec 2023. 7 Established/acquired in March 2024. 8 Established/acquired in Jan 2024.

3. MATERIAL ACCOUNTING POLICIES

3.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

BASIS OF PREPARATION

The separate financial statements have been prepared in accordance with the laws binding in the Czech Republic and with International Financial Reporting Standards as adopted by the European Union ("IFRS Accounting Standards"), as well as the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), published and effective for reporting periods beginning 1 January 2024.

The separate 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 share-based payments measured at grant date fair value and contingent consideration relating to business combinations at fair value.

The separate financial statements include the separate statement of the financial position, separate statement of profit or loss, separate statement of other comprehensive income, separate statement of changes in equity, separate statement of cash flows and explanatory notes.

The separate financial statements cover the year ended 31 December 2024 and contain comparatives for the year ended 31 December 2023.

The separate 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 Accounting Standards requires the use of certain critical accounting estimates. It also requires that management exercises its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in section 3.6.

3.2. FUNCTIONAL AND PRESENTATION CURRENCY

The separate financial statements are presented in Czech crowns (CZK), which is the Company´s functional and presentation currency.

3.3. FOREIGN CURRENCY TRANSLATION

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 Czech 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.

Foreign exchange gains and losses recognized in profit or loss are offset.

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

Closing exchange rates	31.12.2024	31.12.2023
CZK/EUR	25.185	24.725
CZK/PLN	5.890	5.694

Average exchange rates	1.1.2024 - 31.12.2024	1.1.2023 - 31.12.2023
CZK/EUR	25.119	24.007
CZK/PLN	5.834	5.290

3.4. ACCOUNTING METHODS

3.4.1 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. Items acquired in a business combination are measured at their acquisition-date fair values. The costs of non-current assets consist of their acquisition price plus all costs directly associated with the asset's acquisition and adaptation for use. The costs also include the cost of replacing parts of machines and equipment as they are incurred, if the recognition criteria are met. Costs incurred after the asset is given over for use, such as maintenance and repairs, are charged to the income statement as they are incurred.

If circumstances occurred during the preparation of the financial statements indicating that the carrying value of item of property, plant and equipment may not be recoverable, the said asset is tested for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there are indications that impairment might have occurred, and the balance sheet value exceeds the estimated recoverable amount, then the value of those assets or cash generating units to which the assets belong is reduced to the value of the recoverable amount. The recoverable value corresponds to the higher of the following two values: the fair value less costs of disposal, or the value in use. When determining value in use, the estimated future cash flows are discounted to the present value using a post-tax discount rate reflecting the current market assessments of the time value of money and the risk associated with the given asset component. If the asset component does not generate income sufficiently independently, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment write downs are recognised in the income statement under other operating costs or in the separate row if material.

A given tangible non-current asset is derecognised from the balance sheet when it is sold or if no economic benefits are anticipated from its continued use. All profits and losses arising from the derecognition (calculated as the difference between the potential proceeds from the sale and the balance sheet value of a given item) are recognised in the income statement in the period in which the derecognition was performed.

Assets under construction consist of non-current assets that are being constructed or assembled and are stated at acquisition price or cost of production. Non-current assets under construction are not depreciated until the construction is completed and the assets given over for use.

The balance sheet value, the useful life and the depreciation method of non-current assets are verified, and if need to be adjusted, at the end of each financial year.

Items of income and expense related to sold property, plant and equipment are offset.

Depreciation

Items of property, plant and equipment, or their significant and separate components, are depreciated using the straight-line method to allocate their costs to their residual values over their economic useful lives. Land is not depreciated. The Company assumes the following economic useful lives for the following categories of non-current assets:

Asset category	Useful life
Buildings and constructions	20 - 40 years
Technical improvement on leased property	10 years in average
Plant and equipment	2 - 15 years
Vehicles	4 - 6 years

3.4.2 LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration on the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset (RoUA) and a lease liability at the lease commencement date. The RoUA is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The RoUA is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the RoUA reflects that the Company will exercise a purchase option. In that case the RoUA will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the RoUA is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses interest rate implicit in the lease for the vehicle leases and its incremental borrowing rate for other leases.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments,
- variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under residual value guarantee,
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoUA, or is recorded in profit or loss if the carrying amount of the RoUA has been reduced to nil.

The Company presents RoUA that do not meet a definition of investment property in Property, plant and equipment and lease liabilities on separate rows in the statement of financial position.

The Company leases mainly the head office administrative building and vehicles. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Short-term leases and leases of low-value assets

The Company has elected not to recognise RoUA and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease paymets associated with the leases as an expense on a straight-line basis over the lease term.

3.4.3 GOODWILL

Goodwill is carried at cost less accumulated impairment losses, if any. The Company tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination.

Such units or groups of units represent the lowest level at which the Company monitors goodwill and are not larger than an operating segment. Any impairment of goodwill cannot be subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

3.4.4 INTANGIBLE ASSETS

Intangible assets acquired are initially stated at acquisition price or production costs. After their initial recognition, intangible assets are stated at their historical price or production costs less accumulated amortisation and impairment write downs. Expenditures on internal research and development, except for capitalised development costs of identifiable intangible assets, are not capitalised and are recognised in the income statement of the period in which they were incurred.

The Company determines whether the economic useful life of an intangible asset is finite or indefinite. A significant part of the Company's intangible assets constitute trademarks, for most of them, the Company has determined that they have an indefinite useful life. The Company is the owner of some of the leading trademarks in non-alcoholic and alcoholic beverages in Central Europe. As a result, these trademarks are generating positive cash flows and the Company owns the trademarks for the long term. The Board considered several factors and circumstances in concluding that these trademarks have indefinite useful lives, such as size, diversification and market share of each trademark, the trademark's past performance, long-term development strategy, any laws or other local regulations which may affect the life of the assets and other economic factors, including the impact of competition and market conditions. The Company’s management expects that it will hold and promote trademarks for an indefinite period through marketing and promotional support. The trademarks with indefinite useful lives are tested for impairment at least annually. The Company has reassessed useful lives of assets with indefinite useful life and concluded that current events and circumstances continue to support an indefinite useful life assessment.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there are impairment indicators. Useful life and method of amortisation of intangible assets with finite lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset. Intangible assets with finite useful lives are assessed for impairment whenever there are impairment indicators.

Intangible assets are amortised using the straight-line method over their useful lives:

Asset category	Useful life
Software licences	3 – 16 years
Computer software	3 – 6 years
Other licences	5 – 7 years
Valuable rights	5 – 10 years

3.4.5 INVESTMENTS IN SUBSIDIARIES

The Company accounts for investments in subsidiaries at cost.

3.4.6 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint venture or Joint operation is an investment where the Company has a joint control over the investment. Equity accounted investees are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition. The Company's investment in equity accounted investees includes goodwill identified on acquisition.

If the ownership interest is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Companys's share of post-acquisition profit or loss is recognized in profit or loss and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an investment equals or exceeds its interest in the investment, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investment.

The foreign investments are retranslated using foreign exchange rate valid at the balance sheet date and any resulting difference is recognised in Other comprehensive income.

The Company determines as at each reporting date whether there is any objective evidence that the investment is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount adjacent to share of profit/(loss) of investment in the income statement.

3.4.7 RECOVERABLE VALUE OF NON-FINANCIAL ASSETS

The Company evaluates its assets whether indicators of impairment are present as at each balance sheet date. For goodwill and indefinite life intangible assets, the Company performs a formal estimate of the recoverable amount annually, for remaining assets the estimate is performed in case of presence of impairment indicators. If the carrying value of a given asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and written down to its recoverable amount. The recoverable amount corresponds to the higher of the following two values: the fair value less costs of disposal, or the value in use of a given asset or cash generating unit. The impairment loss recognised, except for impairment of goodwill, may be reversed in future periods if the asset's value recovers.

If there is any indication that an asset may be impaired, recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If there isn't any such cash-generating unit, as a CGU is considered the whole entity and any impairment loss is allocated to the Company's assets respecting the IFRS Accounting Standards requirements on order of the impairment loss allocation.

3.4.8 FINANCIAL INSTRUMENTS

Financial instrument is any formal agreement that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

The most significant assets that are subject to the financial instruments accounting policies are:

- loan receivables,
- derivative instruments (swap contracts),
- trade receivables,
- other financial receivables,
- dividend receivables,
- cash.

The most significant liabilities that are subject to the financial instruments accounting policies:

- loan payables,
- derivative instruments (swap contracts),
- trade payables,
- contingent/deferred consideration liabilities,
- lease liabilities.

The Company's financial assets/liabilities are classified to the following categories:

- measured at amortized costs,
- fair value through other comprehensive income (FVTOCI), and
- fair value through profit and loss (FVTPL).

Classification is based on the nature of the assets/liabilities and management intention. The Company classifies its assets/liabilities at their initial recognition.

Financial assets/liabilities

Financial assets are initially recognised at fair value, except for trade receivables which are initially recognised based on IFRS 15 transaction price. Their initial valuation is increased by transaction costs, with the exception of financial assets stated at fair value through profit or loss. The transaction costs payable in case of a possible disposal of the asset are not deducted from subsequent measurement of financial assets. The asset is recognised in the balance sheet when the Company becomes a party to the agreement (contract), out of which the financial asset arises.

Financial liabilities are initially recognised at fair value. Transaction costs are deducted from the amount at initial recognition, except for financial liabilities at fair value through the profit or loss. The transaction costs payable upon a transfer of a financial liability are not added to the subsequent valuation of financial liabilities. The financial liabilities are recognised in the balance sheet when the Company becomes a party to the agreement, out of which the financial liability arises.

Financial assets/liabilities measured at amortized costs

Financial assets measured at amortized costs include primarily loans, trade receivables, dividend receivables, bank deposits, bonds and other cash funds. Depending on their maturity date, they are included in non-current assets (assets due in more than 1 year after the end of the reporting period) or current assets (assets due within 1 year after the end of the reporting period). The assets included in this category are stated at amortised cost using the effective interest method.

Financial liabilities include primarily trade payables, leases and loans. The liabilities included in this category are stated at amortised cost using the effective interest method.

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset/liability is held within a business model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets/liabilities measured at fair value through other comprehensive income

Except for interest rate swaps for which the hedge accounting is applied, the Company doesn't have any other assets/liabilities measured at fair value through other comprehensive income.

Derivative financial instruments and hedge accounting

This category includes derivative instruments in the Company's balance sheet. The Company holds derivative financial instruments to hedge its interest rate risk exposures. Financial assets/liabilities within this category serve for the hedging of risks associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges) and are presented within other receivables/other payables.

At the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period through other comprehensive income.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within finance income/costs. In the Company's hedge relationships, the possible main sources of ineffectiveness are the counterparty's credit risk and change in the timing of hedged transactions.

Amount accumulated in the hedging reserve and the cost of hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 1 year after the end of the reporting period.

When the financial asset/liability is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Financial assets/liabilities measured at fair value through profit or loss

This category in general includes two groups of assets: financial assets held for trading and financial assets designated initially at fair value through profit or loss. A financial asset is included in the held for trading category if it was acquired in order to be sold in the near term, or if it is part of a portfolio in which a pattern or short-term trading exists, or if it is a derivative instrument with a positive fair value and not designated for hedges.

Assets classified as financial assets designated at fair value through profit or loss are stated as at each reporting date at fair value, and all gains or losses are recognised as financial income or costs. Derivative financial instruments are stated at fair value as at the balance sheet date and as at the end of each reporting period based on valuations performed by the banks realising the transactions which are accepted by the management. Other financial assets designated at fair value through profit or loss are valued using stock exchange prices, and in their absence, using appropriate valuation techniques, such as: the use of the prices in recent transactions, comparisons with similar instruments, option valuation models. The fair value of debt instruments represents primarily future cash flows discounted at the current market interest rate applicable to similar instruments.

This category includes two groups of liabilities: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss. Financial liabilities held for trading are liabilities that: have been issued primarily to be transferred or repurchased in near term or are a component of a portfolio of financial instruments that are managed together with a purpose of generating a profit from short-term fluctuations in price or trader's margin or constitute derivative instruments.

Financial liabilities at fair value through profit or loss are measured at their fair value at the end of each reporting period, and all gains or losses are recognised as finance income or costs. Derivative instruments are measured at fair value at the end of each reporting period based on valuations performed by the banks realising the transactions which are accepted by the management. The fair value of debt instruments represents future cash flows discounted at the current market interest rate applicable to similar instruments.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortized costs. For trade receivables, the Company measures loss allowances at an amount equal to lifetime ECLs. For other financial assets the Company measures loss allowances at amount equal to either 12-month ECL or lifetime ECL (when the credit risk of an asset has increased significantly).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort (mainly historical experience, credit assessment, current and forward-looking information available to the management).

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Lifetime expected credit losses are those that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses constitute the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade. The Company considers this to be Ba1 or higher per rating of agency Moody's.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Derecognition of financial assets/liabilities

The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

The Company derecognises financial liability (or part of a financial liability) when it extinguishes, i.e. when the obligation is discharged, cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. However, the offsetting is not possible if it cannot be legally enforced in the normal course of business, in the event of default or in the event of insolvency or bankruptcy of the entity or any of the counterparties.

3.4.9 TRADE AND OTHER RECEIVABLES

Trade and other financial receivables are carried at amortised cost (i.e. present value discounted using the effective interest rate) net of impairment write downs.

In cases when the effect of the time value of money is significant, the carrying value of a receivable is determined by discounting the expected future cash flows to the present value, using a discount rate that reflects the current market assessments of the time value of money. Unwinding of the effects of discounting increasing the receivable is recorded as finance income.

An impairment loss is recognised in profit or loss at the difference between an asset´s carrying amount and the present value of the estimated cash flows discounted at the asset´s original effective interest rate. For the measurement of loss allowance for financial assets refer to section 3.4.8.

Non-financial receivables are assessed at each reporting date to determine whether there is objective evidence of impairment. Such evidence includes:

- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation,
- default or delinquency by the debtor.

3.4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, as well as highly liquid investments that can be readily convertible to known amount of cash and are subject to insignificant changes in the value.

The balance of cash and cash equivalents presented in the separate statement of cash flows consists of cash at bank and in hand, as well as short-term deposits with original maturity up to 3 months.

3.4.11 EQUITY

Equity is classified by category and in accordance with binding legal regulations and the Company's Statute.

Share capital is carried at the amount stated in the Statute and in the National Court Register.

Declared but unpaid capital contributions are recorded as unpaid share capital. Treasury shares and unpaid share capital are deducted from the Company's equity.

Other elements of equity are: Other reserves (reserve from IRS and Share based payment) and Retained earnings.

Own shares acquired for cancellation, in accordance with the provisions of the Business Corporation Act, are recorded at cost as a negative amount as a separate component of equity.

Retained earnings/Accumulated deficit consist of accumulated profits or uncovered losses from previous years and the profit/loss for the period.

Dividends are recognised as liabilities in the period in which they were approved.

3.4.12 INTEREST-BEARING BANK CREDITS AND LOANS

At initial recognition, all bank credits and loans are recorded at their fair value, which corresponds to the received cash funds, less the costs of obtaining the credit or loan.

After their initial recognition, interest bearing credits and loans are stated at amortised cost by applying the effective interest rate method.

Amortised cost is determined by taking into account the costs of obtaining the credit or loan, as well as discounts and bonuses received or settlement fees charged at the settlement of the liability.

3.4.13 TRADE LIABILITIES AND OTHER LIABILITIES

Financial liabilities constitute a current obligation arising out of past events, the fulfilment of which is expected to result in an outflow of cash or other financial assets.

Financial liabilities other than financial liabilities stated at fair value through profit or loss are measured at amortised cost (i.e. discounted using the effective interest rate).

Exchange rate differences resulting from the balance sheet remeasurement of trade payables are recognised in cost of sales.

Non-financial current liabilities are measured at amounts due.

3.4.14 PROVISIONS

Provisions are created when the Company has a present obligation (legal or constructive) arising out of past events, and when it is likely that the fulfilment of this obligation will result in an outflow of economic benefits, and when the amount of the obligation can be reliably measured. If the Company has a right to be reimbursed for the costs covered by the provision, for example based on an insurance policy, then the reimbursement is recognised as a separate asset, but only if it is virtually certain that the reimbursement will be received. The costs relating to a given provision are presented in the income statement net of any reimbursements. If the time value of money is material, the carrying amount of the provision is determined by discounting the forecasted future cash flows to their present values using a pre-tax discount rate reflecting the current market assessments of the time value of money and any risks associated with the given obligation. Subsequent increases of the provision due to unwinding of discount are presented as interest expense.

3.4.15 EMPLOYEE BENEFITS

Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes of such/these conditions.

The fair value of shares granted is based on the stock market share price as of the grant date that was adjusted for the expected fulfilment of non-vesting conditions and market conditions, expected dividend payments and shares restrictions.

In terms of non-vesting conditions, it is expected that all participants will fulfil the set administrative tasks and also period of holding the shares after their acquisition. In terms of Pair shares, new share based payments program participants are expected to utilize the annual gross salary limit in 75%. Participants from the previous share based payments program that are also participants in this share based payments program are expected to utilize the annual gross salary limit in 100%. Market condition is represented mainly by the expected share price on Prague Stock Exchange. The projection of the share price was determined using the Monte Carlo simulation that is based on historical data (starting from June 2018) from which the average growth rate as well as standard deviation are determined. These, together with the random input from normal distribution, serve as a base for the projection of share price development in particular future months. Expected dividends were for the purpose of valuation determined in line with the historical resolutions. And due to existing time limitations on sale, the fair value was decreased by approximately 15% which is a discount rate reflecting the overall market restriction discounts, Group's market capitalization, industry and shares holding period.

Equity-settled share-based payments granted by the Company to the employees of its subsidiaries are recognized in equity with a corresponding increase of the investments in the subsidiary.

Share based payment Plan 2021 - 2026

In the year 2021, the Company introduced a new program for long-term remuneration of senior managers of the Group. By entering into agreement on participation in the Program, the participants are entitled to acquire Kofola shares free of charge, subject the fulfilment of set conditions. The new Share based payment Plan is based on the ended Share based payment Plan for years 2017 - 2019 and enhances the dependence of the eligibility to Kofola shares on the Group results. The new Share based payment Plan has been approved for the period to 31 December 2026.

The Plan consists of two separate, though complementary plans:

1) Share Acquisition Plan granting the participants the opportunity to buy Kofola shares on the market (Investment Shares) and to acquire the corresponding number of Kofola Pair Shares free of charge under defined conditions. The maximal number of eligible Investment Shares cannot exceed the specified limit corresponding to the number of shares which can be purchased on the regulated market for 40% of the basic annual gross salary/remuneration the participant is entitled to under contract(s) concluded with Kofola Group companies in the corresponding calendar year (i. e. from January 1, 2021 to December 31, 2021, from January 1, 2022 to December 31, 2022, from January 1, 2023 to December 31, 2023, from January 1, 2024 to December 31, 2024, from January 1, 2025 to December 31, 2025 and from January 1, 2026 to December 31, 2026). The calculation of the Limit of Investment Shares is based on the average price of Kofola shares on the regulated market. Under the Share Acquisition Plan, there are two vesting periods (2021 – 2023 and 2021 – 2026). To be eligible for the acquisition of Pair Shares, they must be employed with any of Kofola Group companies or be a member of any of Kofola Group companies' bodies throughout the entire vesting period, and at the same time, Kofola Group Equity Value (EBITDA multiple decreased by the Net debt) must not be lower than in the previous calendar year. Provided that the set conditions are met, pair shares will be transferred to the participants gradually up until 2029. The participant must hold the Investment Shares for a set minimum period (two years following the end of the calendar year that served as reference for the yearly limit). Participants are obliged to hold the Pair Shares at least until 31 January of the calendar year following the calendar year in which they were transferred to the participant.

2) Performance Shares Plan providing the participant the opportunity to acquire a predetermined amount of Kofola shares (Performance Shares) free of charge provided that Kofola Group has met performance targets. The period relevant for the Performance Shares Plan starts on 1 January 2021 and terminates on 31 December 2026. The total amount of Performance Shares to be distributed among the participants is composed of two parts. The first part depends on the price of Kofola shares as of 31 December 2026 and the related market capitalization on the regulated market; the second part depends on the Equity Value of Kofola Group as of the last day of the relevant period. To be eligible for the acquisition of Performance Shares, the participant must be employed with any of Kofola Group companies or to be a member of any of Kofola Group companies' bodies from the start of the participant's participation in the Plan to the end of the relevant period provided that they participated in the Program for at least three years (with an exception set in the conditions of the Plan) and must hold Kofola shares of the set minimal value equal to the yearly basic gross wage/remuneration (or the double of yearly basic gross wage/remuneration) of the participant in the last complete calendar year the participant complied with the condition of employment or membership in any of Kofola Group companies and their bodies. Performance Shares will be transferred to participants eligible under the conditions of the Plan by 31 May 2027. Participants are obliged to hold 50% of the Performance Shares at least until 31 January 2028.

3.4.16 PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is recognised at the amount of the transaction price (which excludes estimates of variable consideration), and when the amount of revenue can be measured reliably. Revenue is measured excluding value added tax (VAT), excise tax and rebates (discounts, bonuses and other price reductions, i.e. possible price reductions assumed by the management).

The amount of revenue is measured at the fair value of the consideration received or receivable. Revenue is stated at net present value when the effect of the time value of money is material (in case of payment after 360 days, such transactions contain a significant financing component). If revenue is measured at discounted amount, the discount is recognised using the effective interest method as an increase in receivables, and as financial income in profit or loss.

Foreign exchange rate differences resulting from the realisation or the remeasurement of trade receivables are recognised in profit or loss.

Revenue is also recognised in accordance with the criteria specified below.

Recognition, measurement, presentation or disclosure of Company's revenue doesn't bear any significant judgements or assumptions. Company's transactions are rather clear.

Provision of services

Revenue from the provision of services is recognised when the service was performed with reference to the percentage of completion of the service obligation.

Interest

Interest income is recognised gradually using the effective interest method.

Dividends

Dividends are recognised once the shareholders’ right to receive them is established.

3.4.17 GOVERNMENT GRANTS

The Company recognises government grants once there is a reasonable assurance that the subsidy will be received and that all of the related conditions will be complied with. Both of the above criteria must be met for a government subsidy to be recognised.

The Company may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Company accounts for such allowances as tax credits, reducing the income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits.

3.4.18 INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by tax authorities.

Deferred income tax is recognised, using the balance sheet liability method, on tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and equity accounted investees and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The group that the Company is part of is not subject to the top-up tax obligation.

3.4.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

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).

3.5. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The following standards, amendments and interpretations applied for the first time in 2024.

Non-current Liabilities with Covenants - Amendments to IAS 1

There is not any material impact on the Group’s financial statements.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

There is not any material impact on the Group’s financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

There is not any material impact on the Group’s financial statements.

Suppliers Finance Arrangements – Amendments to IAS 21

There is not any material impact on the Company’s financial statements.

3.6. SIGNIFICANT ESTIMATES AND KEY MANAGEMENT JUDGEMENTS

Since some of the information contained in the separate financial statements cannot be measured precisely, the Company´s management must perform estimates to prepare the separate 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 December 2024 may be changed in the future. The main estimates pertain to the following matters:

Estimates	Type of information	Section
Impairment of goodwill and individual tangible and intangible assets	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.	4.11.1
Impairment of investments in subsidiaries	Key assumptions used to determine the recoverable amount: Impairment indicators, used models, discount rates, growth rates.	4.12.1
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.	3.4.4, 4.11
Income tax	Assumptions used to recognise deferred income tax assets (other than Deferred tax asset from tax losses).	4.8
Share based payment	Key assumptions used to determine the share based payment reserve: Expected EBITDA and Net debt as of 31-12-26.	4.21

3.7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Forthcoming requirements

Lack of Exchangeability – Amendments to IAS 21

There is not expected any material impact on the Group's financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

There is not expected any material impact on the Company's financial statements.

3.8. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

The Board of Directors approved the present separate financial statements for publication on 21 May 2025.

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4.1. SEGMENT INFORMATION

The Board of Directors of the Company, as the chief decision maker, does not use segment results of the Company, neither in the decision-making process nor in the allocation of resources and assessment of the performance.

4.2. REVENUE

Revenue streams, Timing of revenue recognition	2024	2023
	CZK´000	CZK´000
Revenue from contracts with customers	**603,042**	**588,741**
- Sales of services (transferred over time)	603,042	588,741
Other revenue	**496,384**	**332,873**
- Dividend income (transferred at a point in time)	496,384	332,873
Total revenue	**1,099,426**	**921,614**

Revenue from sales of services increased due to higher invoicing of brand fees and group services and also as a result of new acquisitions in 2024. Dividend income increased due to higher dividend from Kofola a.s. (CZ) and Kofola a.s. (SK).

Revenue from contracts with customers is represented mostly by revenue from shared services and brand fees.

Loss allowances on receivables arising from contracts with customers are presented in section 4.14.

Company 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	2024	2023
	CZK´000	CZK´000
Depreciation of Property, plant and equipment and amortisation of Intangible assets	32,038	49,823
Employee benefits expenses (i)	359,837	423,015
Consumption of materials and energy	9,328	9,143
Services	147,902	115,738
Rental costs	2,964	2,281
Taxes and fees	1,306	1,017
Insurance costs	2,657	1,987
Change in allowance to receivables	(390)	400
Other costs	1,200	125
Total expenses by nature*	**556,841**	**603,529**
Cost of sales	30,747	31,798
Selling, marketing and distribution costs	177,940	195,149
Administrative costs	348,154	376,582
Total costs of products sold, merchandise and materials, sales costs and administrative costs	**556,841**	**603,529**

* Excluding Other operating expenses and Impairment.

Depreciation of Property, plant and equipment and amortisation of Intangible assets decreased as a result of two significant trademarks, which were fully depreciated in 2023.

Employee benefits expenses decreased mainly due to decrease of expenses related to share based payment program.

Services increased mainly due to higher marketing expenses.

(i) Employee benefits expenses

Employee benefits expenses	2024	2023
	CZK´000	CZK´000
Salaries (excl. share based payment)	222,065	229,901
Share based payment	50,019	99,204
Social security and other benefit costs (including healthcare insurance)	48,872	52,380
Pension benefit plan expenses	38,881	41,530
Total employee benefits expenses	**359,837**	**423,015**

4.4. OTHER OPERATING INCOME

Other operating income	2024	2023
	CZK´000	CZK´000
Net gain from the sale of PPE and Intangible assets	8,165	396
Compensation claims	-	31
Loss allowance write-back	-	50,002
Other	1,492	1,434
Total other operating income	**9,657**	**51,863**

The loss allowance write-back in 2023 represents the release of the loss allowance to loan receivable from Premium Rosa. The loan provided to Premium Rosa was partially repaid which is connected with the sale of Grodzisk Wielkopolski plant.

4.5. OTHER OPERATING EXPENSES

Other operating expenses	2024	2023
	CZK´000	CZK´000
Provided donations, sponsorship	1,356	2,039
Advisory services	10,991	5,296
Penalties and damages	10	-
Impairment of Property, plant and equipment	-	226
Other	156	466
Total other operating expenses	**12,513**	**8,027**

4.6. FINANCE INCOME

Finance income	2024	2023
	CZK´000	CZK´000
Interest from:		
- credits and loans granted	27,373	39,237
- purchased bonds	3,933	4,016
Exchange gains	-	-
Realized derivatives (new derivatives in EUR)	32,521	19,752
Total finance income	**63,827**	**63,005**

4.7. FINANCE COSTS

Finance costs	2024	2023
	CZK´000	CZK´000
Interest from:		
– credits and loans drawn	243,760	218,897
– lease	4,096	1,162
– other	-	149
Exchange losses	21,133	23,235
Bank costs and charges	9,853	4,937
Total finance costs	**278,843**	**248,380**

FX losses arose mainly from Company’s EUR bank credits and loans.

4.8. INCOME TAX

4.8.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Main income tax elements for the twelve-month period ended 31 December 2024 and 31 December 2023 were as follows:

Income tax	2024	2023
	CZK´000	CZK´000
Current income tax expense	**5,856**	**17,722**
Adjustments for current income tax of prior periods	(773)	-
Current income tax on profits for the year	6,629	17,722
Deferred income tax expense/(benefit)	**(12,089)**	**(31,958)**
Related to arising and reversing of temporary differences other than tax losses	(12,089)	(31,958)
Related to tax losses	-	-
Income tax expense/(benefit)	**(6,233)**	**(14,236)**

The income tax rate applicable to the Company in 2024 is 21%, in 2023 the applicable tax rate was 19%. Deferred income tax benefit was influenced mainly by the deferred tax asset from share based payment.

4.8.2 INCOME TAX RECOGNISED DIRECTLY IN EQUITY

Income tax elements for the twelve-month period ended 31 December 2024 and 31 December 2023 were as follows:

Movement of income tax recognised directly in equity	2024	2023
	CZK´000	CZK´000
Deferred income tax	**(4,559)**	**(13,906)**
Tax from Cash flow hedges	(4,559)	(13,906)
Movement of income tax recognised directly in equity	**(4,559)**	**(13,906)**

4.8.3 EFFECTIVE TAX RECONCILIATION

Effective tax	2024	2023
	CZK´000	CZK´000
Profit/(loss) before income tax	**324,713**	**414,999**
Tax at the rate of 21% (19%) valid in the Czech Republic	(68,190)	(78,850)
Tax effect of:		
Non-deductible expenses	(31,153)	(25,416)
Non-taxable income*	104,804	118,502
Current tax adjustments relating to prior periods	773	-
Income tax (expense)/benefit	**6,234**	**14,236**
Effective tax rate	**(1.9%)**	**(3.4%)**

* Mainly from dividends.

4.8.4 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax balances as of 31 December 2024 are determined using the tax rate of 21% that is valid from 1.1.2024.

Deferred tax assets and liabilities			31.12.2024
	Deferred tax assets	Deferred tax liabilities	Net amount
	CZK´000	CZK´000	CZK´000
Temporary differences attributable to:			
Property, plant and equipment and Intangible assets		(45,258)	(45,258)
Provisions and payables	17,114		17,114
Deferred tax from Cash flow hedges	1,883		1,883
Share based payment	40,272		40,272
Deferred tax assets/(liabilities)	**59,269**	**(45,258)**	**14,011**
Presentation offsetting	(45,258)	45,258	-
Deferred tax assets/(liabilities)	**14,011**	**-**	**14,011**

Deferred tax balances as of 31 December 2023 are determined using the tax rate of 21% that is valid from 1 January 2024.

Deferred tax assets and liabilities			31.12.2023
	Deferred tax assets	Deferred tax liabilities	Net amount
	CZK´000	CZK´000	CZK´000
Temporary differences attributable to:			
Property, plant and equipment and Intangible assets	-	(45,066)	(45,066)
Provisions and payables	17,231	-	17,231
Deferred tax from Cash flow hedges	-	(2,376)	(2,376)
Share based payment	27,574	-	27,574
Deferred tax assets/(liabilities)	**44,805**	**(47,442)**	**(2,637)**
Presentation offsetting	(44,805)	44,805	-
Deferred tax assets/(liabilities)	**-**	**(2,637)**	**(2,637)**

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 Company because it didn't issue any of above-mentioned financial instruments.

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

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Weighted average number of ordinary shares	2024	2023
	pcs	pcs
Total number of ordinary shares issued by the Company	22,291,948	22,291,948
Weighted average number of ordinary shares used to calculate basic earnings per share	**22,291,948**	**22,291,948**

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

Basic earnings per share	2024	2023
Profit/(loss) for the period attributable to owners of Kofola ČeskoSlovensko a.s. (CZK´000)	330,947	429,235
Weighted average number of ordinary shares used to calculate basic earnings per share (pcs)	22,291,948	22,291,948
Basic earnings/(loss) per share attributable to owners of Kofola ČeskoSlovensko a.s. (CZK/share)	**14.85**	**19.26**

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4.10. PROPERTY, PLANT AND EQUIPMENT

Tables below summarize Property, plant and equipment movements in the current and comparative period.

Movements in Property, plant and equipment	Land	Buildings and constructions	Plant and equipment	Vehicles	Leasehold improvement	Other fixed asset	Non-current assets under construction, Prepayments	Total
2024	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost – opening	**4,957**	**34,906**	**61,205**	**69,394**	**5,580**	**-**	**23,586**	**199,628**
Additions	-	-	36,667	-	-	150	1,004	**37,821**
Transfers from non-current assets under construction	-	-	444	23	-	-	(467)	**-**
Lease additions	-	228	-	17,069	-	-	-	**17,297**
Sale	-	-	(1,482)	(14,792)	(10)	-	-	**(16,284)**
Disposal	-	-	(5,308)	-	-	-	-	**(5,308)**
Cost – closing	**4,957**	**35,134**	**91,526**	**71,694**	**5,570**	**150**	**24,123**	**233,154**
Accumulated depreciation – opening	**-**	**(26,907)**	**(49,757)**	**(61,133)**	**(5,201)**	**-**	**-**	**(142,998)**
Depreciation charge	-	(5,487)	(10,388)	(5,822)	(165)	-	-	**(21,862)**
Sale	-	-	1,266	14,786	3	-	-	**16,055**
Disposal	-	-	5,185	-	-	-	-	**5,185**
Accumulated depreciation – closing	**-**	**(32,394)**	**(53,694)**	**(52,169)**	**(5,363)**	**-**	**-**	**(143,620)**
Impairment allowance – opening	**-**	**-**	**(226)**	**-**	**-**	**-**	**-**	**(226)**
Liquidation	-	-	226	-	-	-	-	226
Impairment allowance – closing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value – opening	**4,957**	**7,999**	**11,222**	**8,261**	**379**	**-**	**23,586**	**56,404**
Net book value – closing	**4,957**	**2,740**	**37,832**	**19,525**	**207**	**150**	**24,123**	**89,534**

Movements in Property, plant and equipment	Land	Buildings and constructions	Plant and equipment	Vehicles	Leasehold improvement	Non-current assets under construction, Prepayments	Total
2023	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost – opening	**4,957**	**24,358**	**63,968**	**69,058**	**5,733**	**18,949**	**187,023**
Additions	-	-	4,476	4,146	10	4,637	13,269
Lease additions	-	10,548	-	-	-	-	10,548
Sale	-	-	(114)	(2,580)	(117)	-	(2,811)
Disposal	-	-	(7,125)	(1,230)	(46)	-	(8,401)
Cost – closing	**4,957**	**34,906**	**61,205**	**69,394**	**5,580**	**23,586**	**199,628**
Accumulated depreciation – opening	**-**	**(21,563)**	**(49,416)**	**(57,742)**	**(5,100)**	**-**	**(133,821)**
Depreciation charge	-	(5,344)	(7,579)	(7,199)	(198)	-	(20,320)
Sale	-	-	113	2,578	51	-	2,742
Disposal	-	-	7,125	1,230	46	-	8,401
Accumulated depreciation – closing	**-**	**(26,907)**	**(49,757)**	**(61,133)**	**(5,201)**	**-**	**(142,998)**
Impairment allowance – opening	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss	-	-	(226)	-	-	-	(226)
Impairment allowance – closing	**-**	**-**	**(226)**	**-**	**-**	**-**	**(226)**
Net book value – opening	**4,957**	**2,795**	**14,552**	**11,316**	**633**	**18,949**	**53,202**
Net book value – closing	**4,957**	**7,999**	**11,222**	**8,261**	**379**	**23,586**	**56,404**

Additions within category Plant and equipment in 2024 relates mainly to new hardware of the Company.

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4.11. INTANGIBLE ASSETS

Tables below summarize Intangible assets movements in the current and comparative period.

Movements in Intangible assets (IA) 2024	Goodwill	Software	Trademarks and other rights	IA under development	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost – opening	**30,675**	**197,823**	**398,404**	**17,515**	**644,417**
Additions	-	3,406	1,261	18,325	22,992
Transfer from IA under development	-	-	3,275	(3,275)	-
Sale	-	(23,120)	-	(2,389)	(25,509)
Disposal	-	(2,513)	-	-	(2,513)
Cost – closing	**30,675**	**175,596**	**402,940**	**30,176**	**639,387**
Accumulated amortisation – opening	**-**	**(170,105)**	**(165,721)**	**-**	**(335,826)**
Amortisation charge	-	(6,309)	(3,744)	-	(10,053)
Sale	-	4,672	-	-	4,672
Disposal	-	2,513	-	-	2,513
Accumulated amortisation – closing	**-**	**(169,229)**	**(169,465)**	**-**	**(338,694)**
Net book value – opening	**30,675**	**27,718**	**232,683**	**17,515**	**308,591**
Net book value – closing	**30,675**	**6,367**	**233,475**	**30,176**	**300,693**
Of which:					
Goodwill					30,675
Intangible assets					270,018

Movements in Intangible assets (IA) 2023	Goodwill	Software	Trademarks and other rights	IA under development	Total
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Cost – opening	**30,675**	**179,478**	**397,308**	**1,897**	**609,358**
Additions	-	23,422	509	17,371	41,302
Transfer from IA under development	-	1,166	587	(1,753)	-
Disposal	-	(6,243)	-	-	(6,243)
Cost – closing	**30,675**	**197,823**	**398,404**	**17,515**	**644,417**
Accumulated amortisation – opening	**-**	**(164,266)**	**(148,300)**	**-**	**(312,566)**
Amortisation charge	-	(12,082)	(17,421)	-	(29,503)
Disposal	-	6,243	-	-	6,243
Accumulated amortisation – closing	**-**	**(170,105)**	**(165,721)**	**-**	**(335,826)**
Net book value – opening	**30,675**	**15,212**	**249,008**	**1,897**	**296,792**
Net book value – closing	**30,675**	**27,718**	**232,683**	**17,515**	**308,591**
Of which:					
Goodwill					30,675
Intangible assets					277,916

The Goodwill arose on merger with PINELLI spol. s r.o. acquired in April 2011. Amortisation of trademarks and other rights is charged to Selling, marketing and distribution costs.

The value of trademarks includes, among others, the value of such trademarks as: Kofola, Citrocola, Semtex energy drink and Erektus.

Disposal of software represents a sale to in 2024 newly established subsidiary Supplo s.r.o.

4.11.1 IMPAIRMENT TESTING

In impairment testing of trademarks, management of the Company has decided to use the relief-from-royalty method (fair value method). Due to the fact that management is not aware of comparable market transactions, discounted free cash flows are used in the estimation of cash-flow projections that are based on financial plans approved by management of the Company on the basis of plans drawn up by management of the Company for the period until 2030.

Main assumptions used in financial plans and cash-flow projections:

Trademarks

The main trademark with indefinite useful life

Kofola	2022
Royalty rate	6.0%
Average revenue growth rate*	4.2%
Perpetuity growth rate	2.0%
Discount rate post-tax (average in explicit period)	9.5%
Discount rate post-tax (perpetuity)	8.3%

* Growth rate used for the purpose of the impairment testing from 2023 till the end of the explicit period.

The detailed calculation made in 2022 of the recoverable amount of the Kofola trademark was used for the purpose of 2024 impairment test because all of the criteria set by IAS 36, par. 24 were met. These criteria are:

- the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation;
- the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and
- based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote.

Other trademarks have finite useful life and there were not identified any indications of impairment at these trademarks.

Carrying value of all trademarks

	CZK´000
31 December 2024	231,328
31 December 2023	230,624

Company's trademarks generate historically positive results and are expected to continue in this trend also in future periods.

Sensitivity analysis

Management believes that, in relation to value in use for Company's trademarks which are tested for impairments, no rational change in the above-adopted assumptions would result in their recoverable amounts being lower than their carrying amounts.

4.12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries	Direct ownership interest		Cost		Carrying amount	
Name of entity	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	%	%	CZK´000	CZK´000	CZK´000	CZK´000
Kofola a.s. (CZ)	100.00	100.00	1,303,322	1,303,322	1,303,322	1,303,322
Kofola a.s. (SK)	100.00	100.00	51,023	51,023	51,023	51,023
SANTA-TRANS s.r.o.	100.00	100.00	8,760	8,760	8,760	8,760
UGO trade s.r.o.	90.00	90.00	543,362	543,362	543,362	543,362
RADENSKA d.o.o.	100.00	100.00	1,324,280	1,324,280	1,324,280	1,324,280
Premium Rosa Sp. Z o.o.	100.00	100.00	117,534	117,534	117,534	117,534
LEROS, s.r.o.	100.00	100.00	520,638	199,040	520,638	199,040
F.H.Prager s.r.o.	100.00	100.00	13,000	13,000	13,000	13,000
PIVOVARY TRIANGL s.r.o.	51.00	51.00	408,005	5	408,005	5
FILIP REAL a.s.	100.00	100.00	74,908	74,908	74,908	74,908

Bilgola fresh s.r.o.	100.00	100.00	39,562	39,562	39,562	39,562
PRAGER'S	100.00	-	20	-	20	-
PRAGEROVY SADY LIBINA s.r.o.	100.00	-	45,855	-	45,855	-
Supplo s.r.o.	100.00	-	63,142	-	63,142	-
Share based payment (Kofola a.s. (SK), RADENSKA d.o.o., LEROS, s.r.o., SANTA-TRANS s.r.o., UGO trade s.r.o.)	n/a	n/a	110,738	72,595	110,738	72,595
Total investments in subsidiaries			**4,624,149**	**3,747,391**	**4,624,149**	**3,747,391**

In 2024, the investment in LEROS, s.r.o. was increased through capital contribution by CZK 321,598 thousand.

In 2024, the investment in PIVOVARY TRIANGL s.r.o. was increased through capital contribution by CZK 408,000 thousand.

In 2024, there were new investments in subsidiaries to PRAGER'S, PRAGEROVY SADY LIBINA s.r.o. and Supplo s.r.o.

4.12.1 IMPAIRMENT TESTING

Investments in subsidiaries were subject to impairment testing. Value in use method is utilized for the determination of the recoverable amount.

In 2024 and 2023, there wasn't identified any impairment loss.

In 2023 and 2024, there wasn't identified any impairment indicator due to overall positive business development.

4.13. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Tables below summarizes Company's equity accounted investees.

Equity accounted investees	31.12.2024
	CZK´000
MIXA VENDING s.r.o.	115,000
Cafe Dorado s.r.o.	34,060
Zahradní OLLA s.r.o.	1,203
Total	**150,263**

4.13.1 MIXA VENDING S.R.O. (JOINT VENTURE)

On 25 January 2024, the Group has acquired a 49% stake in MIXA VENDING s.r.o., a company focused on the operation of beverage and food vending machines. The acquisition creates conditions for the availability of Kofola's Group beverages from the perspective of sales channels and is an opportunity for further synergies.

Equity accounted investee's assets and liabilities	31.12.2024	25.1.2024
	CZK´000	CZK´000
Non-current assets	111,538	88,585
Current assets	99,150	80,118
Non-current liabilities	(33,650)	(42,046)
Current liabilities	(90,592)	(34,457)
Net assets	**86,446**	**92,200**
Company's share of net assets (49%)	**42,359**	**45,178**

4.13.2 CAFE DORADO S.R.O. (ASSOCIATE)

The Company has acquired a 50% share in Cafe Dorado s.r.o. in June 2023 for CZK 10 thousand. It is a holding company which has acquired a 50% share in AGRITROPICAL S.A.S., a company owning Columbian coffee plantations, in December 2023. In 2023, the Company has provided capital contributions to Cafe Dorado s.r.o. amounting to CZK 34,050 thousand.

Cafe Dorado s.r.o. – Statement of financial position	31.12.2024	31.12.2023
	CZK´000	CZK´000
Non-current assets	64,498	58,463
Current assets	1,504	18,016
Current liabilities	-	(9,429)
Net assets	**66,002**	**67,050**
Company's share of net assets (50%)	**33,001**	**33,525**

4.14. TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables	31.12.2024		31.12.2023	
	Current	Non-current	Current	Non-current
	CZK´000	CZK´000	CZK´000	CZK´000
Financial assets within Trade and other receivables				
Trade receivables	194,271	-	241,974	-
of that estimated receivables	*85*	*-*	*11,408*	*-*
Loans provided to related parties	345,208	179,548	610,778	-
Loss allowance for loans provided to related parties	11,803	-	-	-
Dividends receivable	26,314	-	208,156	-
Bonds	250	*92,691	251	*94,778
Derivatives (i)	-	-	22,239	-
Other financial receivables	14,612	1,770	12,414	4,570
Loss allowance for other financial receivables	-	-	(400)	-
Total	**592,458**	**274,009**	**1,095,412**	**99,348**
Non-financial assets within Trade and other receivables				
VAT receivable	2,449	-	-	-
Deferred expenses	3,063	3	4,471	274
Prepayments	257		267	-
Total	**5,769**	**3**	**4,738**	**274**
Trade and other receivables total	**598,227**	**274,012**	**1,100,150**	**99,622**

* Measured at amortized costs, repayable in December 2027.

Loans provided to related parties decreased mainly due to repayment of loans by UGO trade, s.r.o. Also part of the loan provided to LEROS, s.r.o. was settled with the payables from capital contributions of CZK 298,383 thousand.

Dividends receivable decreased as a result of dividend payments from Kofola a.s. (CZ) and Kofola a.s. (SK) and RADENSKA d.o.o. made in 2024.

(i) Derivatives

The Company has established a hedge accounting. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted through Other comprehensive income (refer to section 3.4 for more details).

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

With the amendment on bank loans in June 2022, also IRS contracts were concluded. At the same time, the existing IRS were terminated and sold (refer to section 4.6).

Loss allowance

Loss allowance for financial assets within trade and other receivables	2024	2023
	CZK´000	CZK´000
As at 1 January	**400**	**50,002**
(Recovery)/Increase of the loss allowance	(400)	(49,602)
As at 31 December	**-**	**400**

Decrease of the loss allowance in 2023 is connected with the repayments of the loan balance by Premium Rosa.

Further information on transactions with related parties is presented in section 4.25.

Trade receivables are not interest bearing and are usually payable within 30-60 days of recognition.

The risks associated with trade and other receivables, as well as the Company's policy relating to managing such risks, are described in section 4.23.

Information on liens established on receivables to secure credits and loans is presented in section 4.18.

4.15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31.12.2024	31.12.2023
	CZK´000	CZK´000
Cash in bank and in hand	192,749	366,469
Total cash and cash equivalents	**192,749**	**366,469**

Free funds are held at bank and invested in the form of term and overnight deposits, primarily with variable interest rates.

Split by currency	31.12.2024	31.12.2023
	CZK´000	CZK´000
in CZK	100,854	127,068
in PLN	2,411	2,378
in EUR	89,484	237,023
Total cash and cash equivalents	**192,749**	**366,469**

4.16. EQUITY

4.16.1 SHARE CAPITAL AND SHARE PREMIUM

SHARE CAPITAL STRUCTURE

Share capital structure	31.12.2024		31.12.2023	
Type of shares	**Shares**	**Par value**	**Shares**	**Par value**
	pcs	CZK´000	pcs	CZK´000
Ordinary shares of Kofola ČeskoSlovensko a.s.	22,291,948	1,114,597	22,291,948	1,114,597
Total	**22,291,948**	**1,114,597**	**22,291,948**	**1,114,597**

Ordinary shares of Kofola ČeskoSlovensko a.s. have as at 31 December 2024 a par value of CZK 50 (as of 31 December 2023 value of CZK 50). Each share in the Company ranks pari passu in all respects with all other shares. The same rights are incorporated into all the Company's shares including the right to attend the General Meeting, to require and receive explanations of matters concerning the Company that are part of the agenda of the General Meeting, to submit proposals and counterproposals, and to receive a dividend and share in the liquidation surplus. In compliance with the relevant legal provisions, the voting rights attached to the shares owned by the Company and by RADENSKA d.o.o. cannot be exercised.

All of the issued shares have been fully paid up.

4.16.2 OTHER RESERVES

Other reserves contain balances related to:

- share based payment programme, and
- valuation of the interest rate swaps (hedge accounting).

4.16.3 OWN SHARES

As at 31 December 2024 the Company held 27 own shares. The Company didn't have any own shares as of 31 December 2023.

Kofola ČeskoSlovensko a.s. has purchased 36,997 shares of its own shares (which represents 0.17% of the Company´s share capital) in the total value of CZK 10,063 thousand (CZK 272 per share) from RADENSKA d.o.o. in March 2024. The individual share price was determined based on the price quoted at Prague Stock Exchange. As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share. 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. Substantial majority of shares has been transferred to option scheme participants in March 2024.

4.16.4 DIVIDENDS

Dividends	2024	2023
	CZK´000	CZK´000
Dividends	468,131	300,941
Dividend per share (CZK/share)*	13.5	13.5
Advance dividend payment (CZK/share)*	7.5	-

* Dividend divided by the number of shares outstanding as of dividend record date.

The Board of Directors of Kofola ČeskoSlovensko a.s. decided to pay the advance dividend payment of CZK 7.5 per share before tax in October 2024.

4.17. PROVISIONS

Movements in provisions	Provision for personnel expenses (bonuses)	Share based payment	Total
	CZK´000	CZK´000	CZK´000
Balance as at 1 January 2024	**79,949**	**21,353**	**101,302**
Increase due to creation	77,703	15,360	93,063
Decrease due to usage/release	(79,949)	(948)	(80,897)
Balance as at 31 December 2024	**77,703**	**35,765**	**113,468**
Of which:			
Current part	77,703	-	77,703
Non-current part	-	35,765	35,765
Balance as at 31 December 2024	**77,703**	**35,765**	**113,468**

Increase of provisions is connected with positive Group results.

4.18. BANK CREDITS AND LOANS

Indebtedness of the Company from the credits and loans

As at 31 December 2024, the Company's total bank loans and credits amounted to CZK 4,087,008 thousand (as at 31 December 2023: CZK 3,384,730 thousand). Increase of the balance is a result of the CAPEX tranche drawing, acquisition tranche drawing (tranche D, which is connected with the acquisition of the breweries), regular loan repayment and FX revaluation. From the total balances in relation to repayments and drawings of loans and bank credits presented within the Separate statement of cash flows (section 1.4), there was no change of Company's overdraft.

The Facility loan agreement as amended (which refinanced loans at that time, served for a loan financing of RADENSKA d.o.o. acquisition and also the acquisition of ONDRÁŠOVKA a.s. and Karlovarská Korunní s.r.o.) with carrying amount of CZK 4,087,008 thousand as at 31 December 2024 (as at 31 December 2023: CZK 3,384,730 thousand) was a main component of Company´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 brought significant savings in interest expense and adjustment of the repayment schedule led to decrease of regular annual loan repayments.

Credit terms and terms and conditions

Based on credit agreements, the Company 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 2024, the Company obtained a bank waiver for the breach of CAPEX ratio.

All other bank loan covenants were met in 2024.

As of 31 December 2023, the Company met all covenants.

Financing entity	Credit currency	Face value	Carrying amount*	Interest terms	Maturity date	Collateral
31.12.2024		CZK´000	CZK´000			
ČSOB, a.s. + Česká spořitelna, a.s.**	CZK	-	-	1M PRIBOR + margin	6/2025	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	897,791	895,509	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	EUR	1,933,142	1,928,052	3M EURIBOR*** + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	98,691	98,691	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	EUR	96,724	96,724	3M EURIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	108,889	108,889	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory

ČSOB, a.s. + Česká spořitelna, a.s.	EUR	166,415	166,415	3M EURIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	165,600	165,600	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	EUR	183,627	183,627	3M EURIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	444,600	443,501	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
Total		**4,095,479**	**4,087,008**			
Out of it non-current			3,692,065			
Out of it current			394,943			

*   Carrying amount of borrowings on variable interest rate approximates fair value.
** Administration by Česká spořitelna, a.s. There is a shared limit of CZK 500,000 thousand for Kofola a.s. (CZ), Kofola a.s. (SK), RADENSKA d.o.o. and Kofola ČeskoSlovensko a.s. which can be drawn in CZK and EUR.
*** The interest rate swaps were concluded (refer to section 4.23.1).

Financing entity	Credit currency	Face value	Carrying amount*	Interest terms	Maturity date	Collateral
31.12.2023		CZK´000	CZK´000			
ČSOB, a.s. + Česká spořitelna, a.s.**	CZK	-	-	1M PRIBOR + margin	6/2025	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	1,025,791	1,022,486	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	EUR	1,897,834	1,891,290	3M EURIBOR*** + margin	6/2028	buildings, receivables, movable assets, shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	126,889	126,889	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,
	EUR	122,088	122,088	3M EURIBOR*** + margin	6/2028	shares, bill of exchange, inventory
ČSOB, a.s. + Česká spořitelna, a.s.	CZK	88,000	88,000	3M PRIBOR + margin	6/2028	buildings, receivables, movable assets,
	EUR	133,977	133,977	3M EURIBOR + margin	6/2028	shares, bill of exchange, inventory
Total		**3,394,579**	**3,384,730**			
Out of it non-current			3,153,945			
Out of it current			230,785			

*   Carrying amount of borrowings on variable interest rate approximates fair value.
** Administration by Česká spořitelna, a.s. There is a shared limit of CZK 500,000 thousand for Kofola a.s. (CZ), Kofola a.s. (SK), RADENSKA d.o.o. and Kofola ČeskoSlovensko a.s. which can be drawn in CZK and EUR.
*** The interest rate swaps were concluded (refer to section 4.23.1).

Undrawn credit lines as of 31 December 2024 amounted to CZK 182,387 thousand (as of 31 December 2023: CZK 413,470 thousand).

Pledges of the Company

Pledges of the Company	31.12.2024		31.12.2023	
	Cost	Net book value	Cost	Net book value
	CZK´000	CZK´000	CZK´000	CZK´000
Investments in subsidiaries*	3,877,087	3,466,987	3,593,014	3,377,408
Cash in bank	192,716	192,716	366,382	366,382
Total	**4,069,803**	**3,659,703**	**3,959,396**	**3,743,790**

* Including Studenac (the financial investment of RADENSKA).

4.19. TRADE AND OTHER PAYABLES

Trade and other payables Other liabilities	31.12.2024		31.12.2023	
	Current	Non-current	Current	Non-current
	CZK´000	CZK´000	CZK´000	CZK´000
Financial liabilities within Trade payables and Other liabilities				
Trade payables	38,385	-	29,841	-
- of that accrued expenses	*2,781*	-	*1,470*	-
Liabilities for purchased PPE and Intangible assets	3,357	-	5,732	-
Derivatives	2,445	7,953	-	10,927
Loans received from related parties	-	-	2,521	86,538
Contingent/deferred consideration	23,942	44,070	40,790	50,680
Other financial liabilities	22,321	-	1,780	-
Total	**90,450**	**52,023**	**80,664**	**148,145**
Non-financial liabilities within Trade and other payables				
VAT	-	-	3,833	-
Payables to employees	15,437	-	12,966	-
Other non-financial liabilities	7,033	-	4,962	-
Total	**22,470**	**-**	**21,761**	**-**
Trade and other payables and Other liabilities total	**112,920**	**52,053**	**102,425**	**148,145**

Company has received a loan from its subsidiary RADENSKA in June 2023. The loan was concluded at market terms. The loan was setted-off with the dividend receivable of Kofola ČeskoSlovensko a.s. in March 2024 based on set-off of claims agreement. Contingent/deferred consideration represents liabilities connected with the acquisition of FILIP REAL a.s., Bilgola fresh s.r.o. and PRAGEROVY SADY LIBINA s.r.o. that are repayable in following years as per contract terms.

Trade payables are not interest bearing and are usually paid within 30-90 days of recognition.

Other payables are not interest bearing and are payable on average within 1 month.

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4.20. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2024, the Company provided the following guarantees for other entities:

Entity providing guarantees	Entity receiving guarantees	Currency (CY)	Guarantee amount	Guarantee amount	Guarantee period	Guarantees provided for	Relationship
			CY´000	CZK´000			
Kofola ČeskoSlovensko a.s.	City-Arena PLUS a.s.	EUR	8	202	8/2025	UGO trade s.r.o.	subsidiary
	UNIPETROL RPA, s.r.o.	CZK	130	130	Until the end of contract	UGO trade s.r.o.	subsidiary
	Fatra, a.s.	CZK	100	100	Until the end of contract	UGO trade s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	-	-	1/2025	LEROS, s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	-	-	1/2025	LEROS, s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	665	665	11/2027	UGO trade s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	415	415	11/2027	LEROS, s.r.o.	subsidiary
Total guarantees issued				***1,512**			

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

As at 31 December 2023 the Company provided the following guarantees for other entities:

Entity providing guarantees	Entity receiving guarantees	Currency (CY)	Guarantee amount	Guarantee amount	Guarantee period	Guarantees provided for	Relationship
			CY´000	CZK´000			
Kofola ČeskoSlovensko a.s.	City-Arena PLUS a.s.	EUR	8	198	8/2025	UGO trade s.r.o.	subsidiary
	ORLEN Unipetrol Doprava s.r.o.	CZK	130	130	Until the end of contract	UGO trade s.r.o.	subsidiary
	Fatra, a.s.	CZK	100	100	Until the end of contract	UGO trade s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	484	484	1/2025	LEROS, s.r.o.	subsidiary
	Raiffeisen - Leasing, s.r.o.	CZK	265	265	1/2025	LEROS, s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	891	891	11/2027	UGO trade s.r.o.	subsidiary
	Leasing České spořitelny, a.s.	CZK	558	558	11/2027	LEROS, s.r.o.	subsidiary
Total guarantees issued				***2,626**			

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

4.21. SHARE BASED PAYMENT

The following table summarizes the information about the share based payment plan 2021 – 2026.

Share based payment Plan 2021 - 2026 **Summary of effect during 2023 and as of 31 December 2024**	
Share prices at grant dates (CZK)	282; 276*
Number of Pair shares transferred to participants in 2024 (pcs)	36,997
Total cumulated number of Pair shares transferred to participants as of 31 Dec 2024 (pcs)	36,997
Fair value of Pair shares as of grant date (CZK)	140 - 200
Ends of vesting periods	31 Dec 2023, 31 Dec 2026
Number of Performance shares transferred to participants in 2024 (pcs)	-
Total cumulated number of Performance shares transferred to participants as of 31 Dec 2024 (pcs)	-
Fair values of Performance shares as of grant date (CZK)	185; 216*
Ends of vesting periods	31 Dec 2026
Cumulated reserve from equity settled transactions as of 31 Dec 2023 (CZK thousand)	174,861
Total expense/(income) from equity settled transactions in 2024 (CZK thousand)	43,677
Total increase/(decrease) of investments in subsidiaries resulting from equity settled transactions in 2024 (CZK thousand)	38,144
Cumulated reserve from equity settled transactions as of 31 Dec 2024 (CZK thousand)	256,682

* For SBP participants joining the program on 1 January 2024.

Share based payment Plan 2021 - 2026 **Summary of effect during 2023 and as of 31 December 2023**	
Share price at grant date (CZK)	282
Number of Pair shares transferred to participants in 2023 (pcs)	-
Total cumulated number of Pair shares transferred to participants as of 31 Dec 2023 (pcs)	-
Fair value of Pair shares as of grant date (CZK)	140 - 200
Ends of vesting periods	31 Dec 2023, 31 Dec 2026
Number of Performance shares transferred to participants in 2023 (pcs)	-
Total cumulated number of Performance shares transferred to participants as of 31 Dec 2023 (pcs)	-
Fair value of Performance shares as of grant date (CZK)	185
Ends of vesting periods	31 Dec 2026
Cumulated reserve from equity settled transactions as of 31 Dec 2022 (CZK thousand)	16,349
Total expense/(income) from equity settled transactions in 2023 (CZK thousand)	99,204
Total increase/(decrease) of investments in subsidiaries resulting from equity settled transactions in 2023 (CZK thousand)	59,308
Cumulated reserve from equity settled transactions as of 31 Dec 2023 (CZK thousand)	174,861

Significant increase of the share based payment balance in 2023 and 2024 is connected with the positive development of the Group's business and its expected continuance in the upcoming years which influences the Performance Shares Plan due to increase of expected Equity Value (EBITDA multiple decreased by the Net debt) as of 31 Dec 2026.

4.22. LEASES

This note provides information about leases where the Company is a lessee. Leases where the Company is a lessor are immaterial.

4.22.1 AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

Right-of-use asset forms a part of Property, plant and equipment. Lease liabilities are presented on separate rows in the statement of financial position.

The net carrying amount at the end of the reporting period by classes of assets is provided below:

Net carrying amount by classes of assets	31.12.2024	31.12.2023
	CZK´000	CZK´000
Buildings and constructions	2,678	7,918
Plant and equipment	-	2,158
Vehicles	16,324	4,227
Total	**19,002**	**14,303**

Additions to the right-of-use assets were following:

Additions by classes of assets	Buildings and constructions	Plant and equipment	Vehicles	Total
	CZK´000	CZK´000	CZK´000	CZK´000
2024	228	-	17,070	**17,298**
2023	10,548	-	-	**10,548**

4.22.2 AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

Depreciation expense to the right-of-use assets during 2024 and 2023 financial years was following:

Depreciation expense by classes of assets	Buildings and constructions	Plant and equipment	Vehicles	Total
	CZK´000	CZK´000	CZK´000	CZK´000
2024	5,469	2,157	4,968	**12,594**
2023	5,327	2,354	5,166	**12,847**

Interest expense to lease liabilities is presented in note 4.7.

The statement of profit or loss further shows the following amounts relating to not capitalized leases:

Expense relating to not capitalized leases	2024	2023
	CZK´000	CZK´000
Expense relating to short-term leases and leases of low-value assets	2,964	2,281
Total	**2,964**	**2,281**

Total cash outflows in relation to capitalized leases is presented in the section Cash flows from financing activities within the Separate statement of cash flows. Total cash outflows in relation to other leases is close to balance stated in the table above (short-term leases and leases of low-value assets).

There are no material future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities.

Lease commitments for short-term leases and leases of low-value assets as of 31 December 2024 amounted to CZK 176 thousand (as of 31 December 2023: CZK 238 thousand).

4.23. FINANCIAL RISK MANAGEMENT

The Company's primary financial instruments consist of cash and cash equivalents, dividends and loans. The main goal of holding such financial instruments is to obtain funds for business operations, or to invest the Company's available funds. In addition, the Company has other financial instruments, such as trade receivables and payables that arise as part of its operations. The accounting methods relating to those instruments are described in section 3.4.

It is the Company's policy – now and throughout the reporting periods presented in these financial statements – not to trade in financial instruments.

The Company's activities are exposed to several types of financial risk: market risk (including foreign exchange risk, and cash-flow risk relating to changes in interest rates), credit risk and liquidity risk. In addition, the Company monitors the market prices risk relating to all of its financial instruments. Risks are managed by the Company's management, which recognises and assesses the above stated financial risks. The general risk management process is focused on the unpredictability of financial markets, and the Company tries to minimise any potential adverse effects on its financial results. The Company uses derivative financial instruments to hedge against certain types of risk, providing that the hedging instruments are considered to be cost effective. Management verifies and agrees the risk management methods with regard to every type of risk. A short description of these methods is presented below.

4.23.1 INTEREST RATE RISK

Interest rate risk is a risk that the fair value or future cash flows from a financial instrument will change due to changes in interest rates. The interest-bearing financial liabilities of the Company are mainly bank credits. The Company has credit payables with variable interest rates, which give rise to a risk of an increase in those rates compared to the rates applied at contract conclusion. In addition, the Company places its free funds on variable interest rate deposits, which would bring the profits down if the interest rates fall. Trade and other receivables and payables are not interest bearing and have due dates of up to one year.

Management of the Company monitors its exposure to interest rate risk and interest rate forecasts. In order to protect against changes in interest rates, the Company has fixed the interest rate on EUR part of the loan (excluding overdraft) for Company financing, because existing contract terms were favourable for the Company which was not the case of CZK part where the interest rates were on their maximum levels. The balance of the loan which is covered by interest rate swaps as of 31 December 2024 was CZK 2,491,058 thousand (as of 31 December 2023: CZK 2,019,922 thousand). Hedge accounting is established by the Company for below stated derivative instruments. There was no ineffective portion of the hedging relationship for the year ended 31 December 2024 and 31 December 2023.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, maturities and the notional amounts. The Company assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item under the hypothetical derivative method.

The Company's interest rate risk management policy is to hedge at least 50% of its variable interest exposure that is related to Company 's bank credit and loans (excluding overdrafts). Hedging instruments are utilizied when the conditions of available contracts are considered to be favourable for the Company.

Information about hedging instruments (cash flow hedge)

Interest rate swaps		31.12.2024		31.12.2023
	Net exposure	Average fixed interest rate	Net exposure	Average fixed interest rate
	CZK´000	p.a.	CZK´000	p.a.
In period from one to six months	*70,749	4.1%	*13,565	4.0%
In period from six to twelve months	*70,749	4.1%	*13,565	4.0%
More than one year	*2,349,561	4.0%	*1,992,792	3.9%
Total	**2,491,058**		**2,019,922**	

** IRS relate to the part of the bank credits and loans that is repayable in 6/2028.*

Interest rate swaps – nominal balances		31.12.2024		31.12.2023
	CZK'000	EUR'000	CZK'000	EUR'000
Nominal amounts of the hedging instruments	**2,307,431**	**91,619**	**2,019,922**	**81,696**

Interest rate swaps by tranches		31.12.2024		31.12.2023
	Net exposure	Carrying amount	Net exposure	Carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000
Derivative in relation to tranche B2	770,396	(1,343)	756,325	5,711
Derivative in relation to tranche B6	1,162,746	(1,301)	1,141,509	8,619
Derivative in relation to tranche C1	96,724	(2,639)	122,088	(3,018)
Derivative in relation to tranche C2	166,415	(2,432)	-	-
Derivative in relation to tranche D	111,150	(1,930)	-	-
Derivative in relation to tranche C3	183,627	(754)	-	-
Total	**2,491,058**	**(10,399)**	**2,019,922**	**11,312**

Carrying amounts and FS position of IRS	31.12.2024	31.12.2023
	CZK´000	CZK´000
Non-current financial assets (presented in Other receivables)	-	-
Current financial assets (presented in Trade and other receivables)	-	22,239
Non-current financial liabilities (presented in Other liabilities)	(7,954)	(10,927)
Current financial liabilities (presented in Trade and other payables)	(2,445)	-
Net balance	**(10,399)**	**11,312**

Hedge effectiveness and Hedge ratio of IRS	31.12.2024	31.12.2023
	CZK´000	CZK´000
Change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness for the period	*(21,710)	*(74,384)
Change in fair value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	*(21,710)	*(74,384)
Hedge ratio	**100%	**100%

** There was no ineffective portion of the hedging relationship.*
*** The Company is able to conclude the derivative contracts with the same characteristics (such as maturities and notional amounts) as those of the underlying assets.*

Changes in IRS hedge reserve	2024	2023
	CZK´000	CZK´000
IRS reserve balance as of 1 January	**8,935**	**69,413**
Effective portion of changes in fair value	(21,710)	(74,384)
Recclasification to profit or loss	-	-
Tax effect of fair value movements during the year	4,559	14,133
Tax effect resulting from change in the tax rate	-	(227)
IRS reserve balance as of 31 December	**(8,216)**	**8,935**

Interest rate sensitivity

If interest rates at the balance sheet date had been 100 basis points lower/higher with all other variables held constant, profit/(loss) for the period before tax for the year 2024 would have been increased/decreased by CZK 9,191 thousand (2023: CZK 5,642 thousand), mainly as a result of different interest expense on variable interest for financial liabilities.

4.23.2 CURRENCY RISK

The Company is exposed to the risk of changes in foreign exchange rates, mainly due to foreign exchange receivables. The currency risk relates primarily to the EUR and PLN exchange rate in relation to CZK. The Company's exposure associated with other currencies is immaterial.

The effect of currency risk on the Company's position is presented in the table (sensitivity analysis) below. The sensitivity analysis is based on a reasonable change in the assumed foreign exchange rate while the other assumptions remain unchanged. In practice this is not very likely, and changes in certain assumptions may be correlated, e.g. a change in interest rate and in the foreign exchange rate. The Company manages currency risk as a whole. The sensitivity analysis prepared by management for currency risk illustrates after-tax profit or loss effect of changes in the exchange rate of the EUR to CZK.

Financial assets and liabilities denominated in EUR	31.12.2024	31.12.2023
	CZK´000	CZK´000
Cash and cash equivalents	89,484	237,023
Loans provided to related parties	298,239	601,204
Trade receivables and other current financial receivables	26,741	230,395
Bank credits and loans	(2,379,909)	(2,152,156)
Loans received from related parties	-	(89,059)
Trade liabilities and other current financial liabilities	(5,492)	(6,110)
Non-current financial liabilities	-	(10,927)
Net position	**(1,970,937)**	**(1,189,630)**

Currency risk impact on profit or loss	31.12.2024	31.12.2023
	CZK´000	CZK´000
EUR strengthening by 3%	(46,711)	(28,908)
EUR weakening by 3%	46,711	28,908

4.23.3 CREDIT RISK

Credit risk arises from cash deposits in banks along with other short-term deposits, as well as from trade and other financial receivables.

The Company undertakes activities aimed at limiting credit risk, consisting of checking the creditworthiness of its customers, setting credit limits and monitoring the customers' financial position.

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

An analysis of ageing structure of trade and other financial receivables assists with the credit risk management.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

TRADE AND OTHER FINANCIAL RECEIVABLES

The Company is exposed to credit risk, defined as a risk that its debtors will not meet their obligations and thus cause the Company to incur losses.

Presented below is the ageing structure of receivables:

Credit risk	31.12.2024 Trade receivables	31.12.2024 Other financial receivables	31.12.2023 Trade receivables	31.12.2023 Other financial receivables
Due	CZK´000	CZK´000	CZK´000	CZK´000
Third parties	635	16,382	1,791	39,223
Intercompany	32,758	652,582	158,758	899,680
Total due	**33,393**	**668,964**	**160,549**	**938,903**
Past due				
Third parties				
- less than 30 days overdue	34	-	-	-
- 30 to 90 days overdue	609	-	-	-
- 91 to 180 days overdue	-	-	-	-
- 181 to 360 days overdue	36	-	-	-
- over 360 days overdue	-	-	-	-
Intercompany	160,199	3,232	81,425	14,283
Total past due	**160,878**	**3,232**	**81,425**	**14,283**
Third parties	-	-	-	(400)
Intercompany	-	-	-	-
Less loss allowance (-)	-	-	-	**(400)**
Total	**194,271**	**672,196**	**241,974**	**952,786**

Subject to the above, management believes that the credit risk has been accounted for in the financial statements through the creation of appropriate allowances.

CASH AND CASH EQUIVALENTS

With regard to the Company's other financial assets, such as cash and cash equivalents, credit risk arises as a result of the other party's inability to pay, and the maximum amount of the Company's exposure to this risk is equal to the balance sheet value of these amounts.

The credit risk associated with bank deposits is considered to be immaterial, as the Company has concluded transactions with institutions that have a sound financial position.

Credit quality of cash in bank and in hand	31.12.2024	31.12.2023
Credit rating	CZK´000	CZK´000
A1	192,716	366,383
Cash in hand	33	86
Total cash in bank and in hand	**192,749**	**366,469**

4.23.4 LIQUIDITY RISK

The risk for the Company arises from a potential restriction in access to financial markets or from a change in the attitude of banks in the area of granting credits, which may result in an inability to obtain new financing or refinancing of debts.

Management of the Company monitors the risk of insufficient funds by adjusting the structure of financing to prediction of future cash flows (planned investments included), diversifying of sources of financing and by keeping sufficient level of available credit lines. Current liabilities exceed current assets, nevertheless, the Company´s business plan is based on future cash inflows from dividends, licence fees, shared service fees and repayments of loans to related parties. The management is not aware of any going concern risk.

It is the Company's objective to maintain a balance between financing continuity and flexibility, by using various financing sources, such as credits, loans and lease agreements. The Company controls its financial liabilities so that in each given period the amount of liabilities due within the next 12 months does not pose a threat for the Company's ability to meet its financial obligations.

Analysis of financial liabilities is presented below. The amounts represent undiscounted cash flows, which represent the Company's maximum exposure to liquidity risk.

Future cash outflows related to financial liabilities:

Contractual cash flows of financial liabilities as at 31 December 2024	Less than 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash-flows	Total carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Trade payables	38,369	16	-	-	-	38,385	38,385
Bank credits and loans	166,439	494,434	3,939,861	-	-	4,600,734	4,087,008
Lease liabilities	2,680	4,963	6,759	4,777	-	19,179	19,179
Other liabilities	5,802	48,137	42,579	5,000	-	101,518	101,518
Total	**213,290**	**547,550**	**3,989,199**	**9,777**	**-**	**4,759,816**	**4,246,090**

Contractual cash flows of financial liabilities as at 31 December 2023	Less than 3 months	Between 3-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash-flows	Total carrying amount
	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000	CZK´000
Trade payables	29,069	772	-	-	-	29,841	29,841
Bank credits and loans	114,288	307,216	358,312	3,198,572	-	3,978,388	3,384,730
Lease liabilities	3,391	7,869	3,755	530	-	15,545	14,481
Other liabilities	31,697	19,126	21,412	107,151	19,582	198,968	198,968
Total	**178,445**	**334,983**	**383,479**	**3,306,253**	**19,582**	**4,222,742**	**3,628,020**

4.24. FINANCIAL INSTRUMENTS

4.24.1 FINANCIAL INSTRUMENTS CATEGORIES

Fair value of Trade receivables, Cash and cash equivalents, other financial receivables, Trade payables 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.

31.12.2024	Financial assets at amortised cost	Derivatives through OCI	Financial liabilities at amortised cost	Total
	CZK´000	CZK´000	CZK´000	CZK´000
Trade and other financial receivables	866,467	-	-	866,467
Cash and cash equivalents	192,749	-	-	192,749
Derivatives	-	(10,399)	-	(10,399)
Bank credits and loans	-	-	(4,087,008)	(4,087,008)
Lease liabilities	-	-	(19,179)	(19,179)
Trade and other payables and other liabilities	-	-	(129,504)	(129,504)
Total	**1,059,216**	**(10,399)**	**(4,235,691)**	**(3,186,874)**

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31.12.2023	Financial assets at amortised cost	Derivatives through OCI	Financial liabilities at amortised cost	Total
	CZK´000	CZK´000	CZK´000	CZK´000
Trade and other financial receivables	1,172,525	-	-	1,172,525
Cash and cash equivalents	366,469	-	-	366,469
Derivatives	-	11,312	-	11,312
Bank credits and loans	-	-	(3,384,730)	(3,384,730)
Lease liabilities	-	-	(14,481)	(14,481)
Trade and other payables and other liabilities	-	-	(217,882)	(217,882)
Total	**1,538,994**	**11,312**	**(3,617,093)**	**(2,066,787)**

Fair value of derivatives

In 2020 and 2018, the Group concluded IRS contract and established a hedge accounting. Revaluation of derivatives in relation to the effective portion of the hedging relationship is accounted through Other comprehensive income (refer to section 3.4 for more details).

With the amendment on bank loans in June 2022, 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).

Measured derivatives are not traded in active markets, however all significant inputs required for fair value measurement are observable and as such the Company has included this instrument in Level 2 of fair value hierarchy levels.

4.25. RELATED PARTY TRANSACTIONS

4.25.1 SHAREHOLDERS STRUCTURE

The Company was part of the group controlled by AETOS a.s. („Group“) till 19 August 2024. On 19 August 2024, AETOS a.s. and its shareholders have initiated steps to restructure the ownership structure of the Group, which includes Kofola ČeskoSlovensko a.s. The aim of these steps was to ensure succession and the management of family assets for the next generation through a family foundation named FILÍA Foundation. Lykos alfa a.s. acquired the assets and liabilities of AETOS a.s. on 19 August 2024 and thus become the majority shareholder of Kofola ČeskoSlovensko a.s. The shareholders structure of Lykos alfa a.s. and AETOS a.s. are identical. Regarding Kofola ČeskoSlovensko a.s., this restructuring does not represent a change, as the majority of voting rights in Kofola ČeskoSlovensko a.s. remained under the control of the current shareholders of AETOS a.s. Actually, there was no change in shareholders of Lykos alfa compared to shareholders of Aetos. This means that there was no change in the ownership or control of Kofola ČeskoSlovensko a.s., nor any other changes that could affect Kofola ČeskoSlovensko a.s.

Share capital structure	31.12.2024			31.12.2023		
Name of entity	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
Lykos alfa a.s.*	14,984,204	67.22	70.46	-	-	-
RADENSKA d.o.o.	1,025,239	4.60	0.00	1,062,236	4.77	0.00
Others	6,282,505	28.18	29.54	6,245,508	28.01	29.42
Total	**22,291,948**	**100.00**	**100.00**	**22,291,948**	**100.00**	**100.00**

Transactions with own shares are described in section 4.16.3.

4.25.2 SUBSIDIARIES

Interests in subsidiaries are set out in sections 2.2 and 4.12.

4.25.3 REMUNERATION OF THE COMPANY'S KEY MANAGEMENT PERSONNEL

Presented below is the structure of the remuneration of Company´s key management personnel in 2024 and 2023.

Remuneration of the Company´s key management personnel 2024		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	33,009	-	-	-	33,009
	Non-financial	4,856	-	-	-	4,856
Amounts paid for activities in the Company´s Supervisory Board	Financial	-	1,200	-	-	1,200
	Non-financial	-	287	-	-	287
Amounts paid for activities in the Company´s Audit Committee	Financial	-	-	534	-	534
	Non-financial	-	-	-	-	-
Amounts paid for other activities within the Group	Financial	-	8,295	1,832	55,786	41,083
	Non-financial	-	214	19	6,923	4,517
Total expense/(income) from equity settled transactions (Share based payment)	Share based payment	**17,963**	-	-	25,714	**43,677**
Shares transfer to share based payment participants	Share based payment	**(4,150)**	-	-	(2,560)	**(6,710)**
Cumulated reserve from equity settled transactions	Share based payment	74,560	-	-	182,916	**257,476**

Remuneration of the Company´s key management personnel 2023		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	23,159	-	-	-	**23,159**
	Non-financial	688	-	-	-	**688**
Amounts paid for activities in the Company´s Supervisory Board	Financial	-	1,200	-	-	**1,200**
	Non-financial	-	287	-	-	**287**
Amounts paid for activities in the Company´s Audit Committee	Financial	-	-	288	-	**288**
	Non-financial	-	-	-	-	**-**
Amounts paid for other activities within the Group	Financial	-	5,795	1,936	18,885	**26,616**
	Non-financial	-	214	56	1,009	**1,279**
Total expense/(income) from equity settled transactions (Share based payment)	Share based payment	50,771	-	-	48,433	**99,204**
Shares transfer to share based payment participants	Share based payment	-	-	-	-	-
Cumulated reserve from equity settled transactions	Share based payment	63,839	1,010	-	120,869	**185,718**

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4.25.4 OTHER RELATED PARTY TRANSACTIONS

Presented below are the total amounts of transactions concluded with the Company's related parties:

Intercompany transactions		2024		2023
	Revenue*	Costs/Purchases	Revenue*	Costs/Purchases
	CZK´000	CZK´000	CZK´000	CZK´000
Kofola a.s. (CZ)	576,394	(5,942)	514,401	(5,133)
Kofola a.s. (SK)	462,852	(5,357)	388,628	(5,562)
RADENSKA d.o.o.	11,911	(19,571)	14,961	(14,637)
UGO trade s.r.o.	14,296	(610)	12,054	(555)
Studenac, d.o.o.	6,410	-	8,089	-
LEROS, s.r.o.	8,735	(1,215)	17,189	(470)
Premium Rosa Sp. z o.o.	4,545	-	10,177	-
SANTA-TRANS s.r.o.	1,216	(691)	1,151	(568)
F.H.Prager s.r.o.	1,111	(8)	960	-
AETOS a.s.	-	-	654	-
Pivovary CZ Group a.s.	22,494	(11)	-	-
MIXA VENDING s.r.o.	363	-	-	-
Supplo s.r.o.	40,481	-	-	-
FILIP REAL a.s.	243	-	-	-
PRAGEROVY SADY LIBINA s.r.o.	1,193	-	-	-
PRAGER'S s.r.o.	188	-	-	-
Semtex Republic s.r.o.	-	(3)		
Total	**1,152,432**	**(33,408)**	**968,264**	**(26,925)**

* Including finance income and dividends.

Intercompany receivables and payables		31.12.2024		31.12.2023
	Assets*	Liabilities	Assets*	Liabilities
	CZK´000	CZK´000	CZK´000	CZK´000
Kofola a.s. (CZ)	**190,724	(471)	**275,525	-
Kofola a.s. (SK)	230,830	(879)	208,831	-
RADENSKA d.o.o.	27,331	(18,301)	213,279	(89,059)
UGO trade s.r.o.	44,837	-	48,278	-
Studenac, d.o.o.	401	-	2,510	-
LEROS, s.r.o.	47,812	(1)	311,695	(3)
Premium Rosa Sp. z o.o.	83,190	-	72,783	-
SANTA-TRANS s.r.o.	41	-	157	-
F.H.Prager s.r.o.	15,437	-	11,519	-
AETOS a.s.	3,517	-	791	-
PIVOVARY TRIANGL s.r.o.	160,650	-	-	-
Pivovary CZ Group a.s.	16,557	(3)	-	-
MIXA VENDING s.r.o.	641	-	-	-
FILIP REAL a.s.	294	-	-	-
PRAGEROVY SADY LIBINA s.r.o.	19,590	-	-	-
PRAGER'S s.r.o.	227	-	-	-
Total	**842,079**	**(19,655)**	**1,145,368**	**(89,062)**

* Including Loans provided to related parties (described below). ** Including purchased bonds.

Receivables from Loans provided to related parties (excluding interest receivable)		31.12.2024		31.12.2023	
		Short-term	Maturity	Short-term	Maturity
	CURR	CZK´000		CZK´000	
Kofola a.s. (SK)	EUR	173,946	12/2025	170,769	12/2024
LEROS, s.r.o.	CZK**	45,000	12/2025	291,544	12/2024
Premium Rosa Sp. z o.o.	EUR	74,108	12/2025	68,304	12/2024
UGO trade s.r.o.	EUR	25,941	12/2025	46,483	12/2024
UGO trade s.r.o.	EUR	15,111	6/2025	-	-
F.H.Prager s.r.o.	CZK	8,000	12/2025	5,500	12/2024
F.H.Prager s.r.o.	CZK	3,000	on demand	3,000	on demand
PIVOVARY TRIANGL s.r.o.	CZK	160,548	12/2031	-	-
PIVOVARY TRIANGL s.r.o.	CZK	102	12/2025	-	-
PRAGEROVY SADY LIBINA s.r.o.	CZK	19,000	12/2026	-	-
Total		**524,756**		**585,600**	

* Net of loss allowance.
** CZK in 2024. EUR in 2023.

Carrying amount of loan provided to LEROS, s.r.o. decreased mainly as a result of loan capitalization in April 2024. In 2024 loans to newly acquired companies (PIVOVARY TRIANGL s.r.o. and PRAGEROVY SADY LIBINA s.r.o.) were provided.

Interest rates from loans provided to related parties are concluded at market terms. The loans are not pledged. Loans provided to related parties are connected with the Facility loan agreement which refinanced current loans at that time and a loan for financing RADENSKA d.o.o. acquisition. The reason for the execution of the Facility Loan Agreement was a consolidation of Group financing. Previous bank loans in Company´s subsidiaries were repaid and refinanced by a loan from the Company. All transactions with related parties have been concluded at market terms.

The Company acts as a holding company and as such provides certain services for the other companies in Kofola Group. This comprises, in particular, the provision of:

- strategic services, including: cooperation in the preparation of business, marketing, production, investment and financing plans, management of subsidiaries, including their financing;
- services related to products (quality department), including: central product development, innovation process management, costing and pricing, production and logistics planning, quality control;
- shared services, including: preparation and management of accounting and reporting methods, controlling and reporting, IT services, legal services, back office services, internal audit; and
- licenses and trademarks: Kofola ČeskoSlovensko a.s. owns most licenses, trademarks for branded beverages and similar copyrights for the products distributed on the Czechoslovak market, for which the other Group companies pay royalties.

4.26. CASH AND NON-CASH FINANCING ACTIVITIES

Net debt reconciliation (in CZK'000)	Liabilities from financing activities		Cash and cash equivalents	Net debt
	Bank credits and loans	Lease		
As at 1.1.2024	**3,384,730**	**14,481**	**(366,469)**	**3,032,742**
Proceeds from loans and bank credits received	979,842	-	-	979,842
Repayment of loans and bank credits	(317,809)	-	-	(317,809)
Change in amortized costs	1,378	-	-	1,378
Repayment of lease liabilities	-	(12,600)	-	(12,600)
Lease additions	-	17,298	-	17,298
Cash (inflow)/outflow	-	-	173,718	173,718
FX differences	38,867	-	-	38,867

As at 31.12.2024	**4,087,008**	**19,179**	**(192,749)**	**3,913,437**

Net debt reconciliation (in CZK'000)	Liabilities from financing activities		Cash and cash equivalents	Net debt
	Bank credits and loans	Lease		
As at 1.1.2023	**3,226,113**	**16,719**	**(137,465)**	**3,105,367**
Proceeds from loans and bank credits received	285,807	-	-	285,807
Repayment of loans and bank credits	(182,649)	-	-	(182,649)
Change in amortized costs	2,618	-	-	2,618
Repayment of lease liabilities	-	(12,786)	-	(12,786)
Lease additions	-	10,548	-	10,548
Cash (inflow)/outflow	-	-	(229,004)	(229,004)
FX differences	52,841	-	-	52,841
As at 31.12.2023	**3,384,730**	**14,481**	**(366,469)**	**3,032,742**

4.27. HEADCOUNT

The average headcount in the Company was as follows:

Average headcount	2024	2023
Management Board of the Company	6	6
Administration	91	77
Sales, Marketing and Logistic department	93	117
Production division	28	29
Total	**218**	**229**

Total number of employees as of 31 December 2024 was 222 persons (as of 31 December 2023: 237 persons).

4.28. ACQUISITION OF SUBSIDIARIES

Acquisition of subsidiary PRAGEROVY SADY LIBINA s.r.o.

On 11 January 2024, the Company has acquired a 100% share in PRAGEROVY SADY LIBINA s.r.o., a company that owns apple orchards in the Úsovsko region.

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

Fair values and consideration	CZK´000
Property, plant and equipment	55,551
Inventories	566
Trade and other receivables – current	1,419
Cash and cash equivalents	1,041
Other receivables	613
Trade and other payables – current	(9,099)
Total identifiable net assets acquired	**50,091**
Consideration transferred	27,127
Deferred consideration liability – current	5,000
Deferred consideration liability – non-current	13,727
Total consideration	**45,854**

4.29. UKRAINE CRISIS

War in Ukraine brought new risks and uncertainty to our business. The Company's management is very closely monitoring the development of the war conflict between Russia and Ukraine. The Company 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 Company has no material direct exposure either to Russia or Ukraine. The war however impacts whole European economy and led to price increases which was perceived also by the Company. Increasing input prices do not, however, represent a threat to the Company'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 Company may also increase the output prices to ensure profitability level expected by its stakeholders.

As of the date of this report, 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 Company 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). Other information

4.30. OTHER INFORMATION

Auditors remuneration

The Company was for the years ended 31 December 2024 and 31 December 2023 audited by KPMG Česká republika Audit, s.r.o. ("KPMG").

The following amounts were charged by professional advisors and auditors:

Auditors' remuneration	2024	2023
	CZK´000	CZK´000
Audit (KPMG)	1,836	1,561
Other (KPMG)	20	20
Other services (Other companies)	2,437	2,086
Total	**4,293**	**3,667**

Other services include mainly tax advisory services relating to preparation of corporate income tax returns, personal income tax for expats and various consultations in complex tax areas.

Electricity purchase contracts

The Company has concluded a general agreement on electricity deliveries and as such is not in risk of not having the electricity for its purposes. Electricity consumptions and costs are not material.

4.31. SUBSEQUENT EVENTS

In January 2025, the Company has acquired a 100% stake in Krondorf a.s., a producer of mineral water.

In March 2025, the Company has acquired a 100% stake in VENDING, s.r.o., a sole shareholder of ASO VENDING s.r.o. In 2024, the Companies achieved a turnover of over EUR 18 million and an EBITDA indicator of over EUR 2 million. With an operation of approximately 8 thousand of vending machines, it is the largest operator of vending machines in Slovakia.

In March 2025, Kofola ČeskoSlovensko a.s. has purchased 26,844 shares of its own shares (which represents 0.12% of the Company´s share capital) in the total value of CZK 11,677 thousand (CZK 435 per share) from RADENSKA d.o.o. The individual share price was determined based on the price quoted at Prague Stock Exchange. As such, the contract was concluded at market terms. The shares have nominal value of CZK 50 per individual share. 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. Substantial majority of shares has been transferred to option scheme partici pants in March 2025.

In March 2025, Zahradní OLLA s.r.o. changed its name to Tuselie s.r.o.

4. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

In April 2025, the Company has acquired a 80% share in PRAGEROVA SKLIZEŇ s.r.o., a company that owns orchards in the Úsovsko region, which are adjacent to the orchards of the PRAGEROVY SADY LIBINA s.r.o. and which operate its own store.

In April 2025, expiration of the office term of all members of the Board of Directors was prolonged to 1 April 2030.

No other events have occurred after the end of the reporting period that would require disclosure in the Notes to the separate financial statements.

21.5.2025	**Janis Samaras**	**Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**René Musila**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Daniel Buryš**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Pisklák**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Marián Šefčovič**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*

CONSOLIDATED SUSTAINABILITY REPORT 2024

KOFOLA ČESKOSLOVENSKO A.S.

1. INTRODUCTION

When you love nature and the people around you, the path forward becomes clear. This simple belief has once again guided us in 2024 as we sought answers to the challenges of sustainability. We see sustainability not merely as a response to current trends, but as an integral part of how we do business. It is deeply rooted in our values, in the relationships we build with people, and in the way we connect with the landscape around us.

Our commitment to sustainability is long-standing. It stems from the conviction of Jannis Samaras and his family that a company should be rooted in its landscape—not just present in it. Caring for people, water, and soil is just as important as caring for products or brands. This philosophy has shaped our decisions for more than a decade and is increasingly reflected in concrete objectives and management systems that embed sustainability into the core operations of the Kofola Group.

The 2024 Sustainability report is our first prepared in full alignment with the Corporate Sustainability Reporting Directive (CSRD). It is based on the principle of double materiality, considering both our environmental and social impacts and the risks and opportunities that sustainability topics represent for the Kofola Group.

In this report, we address each of the material topics identified, outlining our approach and actions. We not only examine our impacts on the environment, society, and the economy, but also how these areas, in turn, affect our business. Each section offers a specific view into what we have done, what we have learned, and where we are headed. Our aim is to share clearly and transparently why ESG topics are a key part of both the future of the Kofola Group and our daily operations.

2. GENERAL DISCLOSURES (ESRS 2)

2.1. GLOSSARY OF TERMS

Financial statements/AR/Annual report	Consolidated annual financial report of the issuer
Sustainability report (or Sustainability statement)	Consolidated sustainability report, further also as ESG report or non-financial report
Kofola Group (or Group)	The consolidation entity includes all companies under the company Kofola ČeskoSlovensko a.s.
DMA	Double Materiality Assessment
IRO	Impact, Risk and Opportunity
IPCC	Inegrated Pollution Prevention and Control – an integrated permit that sets binding conditions for the operation of a facility with regard to environmental protection as a whole
CSRD directive	The Corporate Sustainability Reporting Directive
ESRS standard	European Sustainability Reporting Standards
NFRD directive	Non-financial Reporting Directive - a European Union directive introduced in 2014 focusing on the disclosure of non-financial information (known as non-financial reporting) by large companies. This directive was the predecessor of the newer CSRD, which replaced and expanded it
LCA	Life Cycle Assessment
KofoAppka	Internal information system for employees
Scope 1; Scope 2; Scope 3	Greenhouse gas emission categories
KPI/KPIs	Key performance indicators
CAPEX	Capital expenditures
OPEX	Operating expenses
OECD	Organization for Economic Co-operation and Development
ERP system (Enterprise Resource Planning)	Refers to a suite of software that organizations use to manage their daily business activities
Littering	An activity in which waste – litter – is left lying around or in a place not designated for it, whether in nature or in a public space
HORECA (Hotels, Restaurants, Cafe)	An economic term that refers to the segment of the hotel industry and various types of gastronomic establishments (restaurants, cafes, bars, pubs, clubs, catering, etc.)
WCM (World Class Manufacturing) standards	Quality standards in the manufacturing industry
PPWR (Packaging and Packaging Waste Regulation)	Regulation on packaging and packaging waste

2. GENERAL DISCLOSURES (ESRS 2)

2.2. GENERAL DISCLOSURES

KOFOLA GROUP

2. GENERAL DISCLOSURES (ESRS 2)

2.2.1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT (BP-1)

The Sustainability statement (further also as Sustainability report) has been prepared on a consolidated basis for Kofola ČeskoSlovensko a.s. and is in accordance with the European Sustainability Reporting Standards, published in Commission Delegated Regulation (EU) 2023/2772, supplementing Directive 2013/34/EU of the European Parliament and of the Council and Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments and delegated acts. The scope of consolidation is the same as that of the financial statements.

Since the value chain of the Kofola Group is a substantial part of its overall business model, it has been thoroughly considered within the Double Materiality Assessment (DMA), which defines the scope of this Sustainability report. The Sustainability report covers the Group's own operations, the preceding part (suppliers) and the subsequent parts (customers) of the value chain, including companies that were under common operational influence with the Kofola Group, depending on identified impacts, risks and opportunities. Information and data disclosed about specific impacts, risks and opportunities may be limited to certain companies within the Kofola Group. Affected groups of employees were also assessed based on the severity of impacts evaluated within the double materiality framework.

In the value chain, the Kofola Group utilized a transitional provision for disclosing quantitative and detailed information concerning the preceding and subsequent parts of the value chain. The exception for the value chain can be applied during the first three years of reporting. The Kofola Group did not take the opportunity to omit certain information regarding intellectual property, know-how, or innovation results.

2.2.2 DICLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES (BP-2)

Time horizons

The Kofola Group has used the following forecasted time periods (in accordance with ESRS 1, section 6.4) for preparing its Sustainability report, unless stated otherwise in the relevant disclosure:

a) *Short-term horizon:* the period adopted by the Kofola Group as the reporting period in its financial statements.
b) *Medium-term horizon:* from the end of the short-term reporting period defined in a) up to five years.
c) *Long-term horizon:* more than five years.

Value chain estimation

Certain metrics (particularly those related to parts of the carbon footprint calculation) involve external sources or information for estimating value chain data in preceding or subsequent stages. If the Kofola Group used external sources or data estimates, these are presented in the relevant sections along with a description of the metrics, the accuracy level of the estimates used, and any planned measures to improve their precision, where applicable.

The Sustainability report follows the same consolidation unit as the financial statements, except that for four companies (AGRITROPICAL S.A.S. - respectively its parent company Cafe Dorado s.r.o.; Zahradní OLLA s.r.o. - since 2025 Tuselie s.r.o.; General Plastic, a.s. and MIXA VENDING s.r.o.), the Kofola Group does not have full control over these entities and has approached their impacts as impacts within the value chain.

Sources of uncertainty in estimates and results

Some metrics in the Kofola Group's Sustainability report include information from third parties and/or are based on judgments, estimates and assumptions, which generally means they may be subject to some degree of uncertainty. Where available, the Kofola Group generally uses well-known and reliable external sources and historical experiences. Quantitative indicators are always specified in individual sections of the Sustainability report, and none of them are subject to a high degree of measurement uncertainty. The use of estimates is most significant for environmental metrics, such as greenhouse gas emissions (GHG) in Scope 3, and those made for the long-term time horizon generally have the greatest uncertainty. If the Kofola Group used information from third parties, estimates, judgments and/or assumptions, these are provided in the corresponding sections.

2. GENERAL DISCLOSURES (ESRS 2)

The Kofola Group continues to monitor all potential impacts that were not evaluated as material in 2024 but may significantly negatively affect the operational activities of the Kofola Group or its financial performance in the future.

Changes in the preparation or presentation of sustainability information

For the first time this year, the Sustainability report was prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) of the European Parliament and Council, which follows the European Sustainability Reporting Standards (ESRS). Last year, the Kofola Group submitted its Sustainability Report based on the requirements of the Non-Financial Reporting Directive (NFRD) of the European Parliament and Council dated October 22, 2014, which amended Directive 2013/34/EU.

The Kofola Group has already reported on the EU Taxonomy for the previous reporting period. Just like in 2024, the main activity of the Kofola Group was Manufacture of beverages, which is an activity not eligible under the EU Taxonomy. An eligibility analysis based on a comparison of NACE codes identified Freight transport by road as an eligible activity under CCM 6.6. Other activities of the Kofola Group were not assessed as eligible because they did not fall under the economic activities of the Kofola Group according to the NACE codes.

In assessing eligibility for 2024, three additional eligible areas were identified, primarily due to broader consideration of activities beyond the comparison of NACE codes. This led to an expansion in the scope of eligible activities year over year.

Disclosure of information arising from other legal regulations or generally recognized sustainability reports

The Kofola Group included in its Sustainability report information according to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council on how and to what extent the activities of the Kofola Group relate to economic activities that qualify as environmentally sustainable.

Incorporation of information by reference

Disclosure requirement	Chapter in Annual report
Significant groups of products, significant markets (SBM-1 – 40(a) i))	A – 4.1.2 Financial performance
Composition, role and functuion of administrative, management and supervisory bodies (GOV-1 – 20(a)(b))	A – 6.4. Bodies of the Company

2.3. CORPORATE GOVERNANCE

2.3.1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV – 1)

Kofola ČeskoSlovensko a.s. is a joint-stock company established under Czech law, and its shares are traded on the Prague Stock Exchange (BCPP). In 2024, Kofola ČeskoSlovensko a.s. had the following governing bodies:

- General Meeting of Shareholders,
- Board of Directors,
- Supervisory Board,
- Audit Committee.

For details regarding the composition, role and function of these bodies, refer to Annual report (A - 6.4.).

The total number of members of the Board of Directors of Kofola ČeskoSlovensko a.s. is 6, all of whom are executive members.

The total number of members of the Supervisory Board is 5, with 2 being executive members.

The proportion of independent members in the Board of Directors is 0%, and in the Supervisory Board, it is 40%.

The proportion of women in both the Board of Directors and the Supervisory Board is 0%.

2. GENERAL DISCLOSURES (ESRS 2)

In the Czech Republic, there is no binding diversity policy regime that Kofola ČeskoSlovensko a.s. must adhere to, and the company has not committed to following any specific diversity policy (as per § 118 paragraph 4h) of Act No. 256/2004 Coll., on Capital Market Business) as it is stated in the Annual report (A – 6.5).

Within the Board of Directors and Supervisory Board of Kofola ČeskoSlovensko a.s., members are not directly elected by employees. This practice is applied, for example, in subsidiaries such as Kofola a.s. (CZ) or Kofola a.s. (SK), where one member of the supervisory boards is elected by employees (respectively ⅓ of the supervisory boards, as required by legislative demands for companies that exceed a certain number of employees).

Selecting a statutory body with relevant experience in the industry, products and geographic operation is a key factor for the effective management of Kofola ČeskoSlovensko a.s. The expertise and managerial skills of the statutory body's members allow not only for correct strategic decision-making but also for a better understanding of the specific challenges and opportunities Kofola ČeskoSlovensko a.s. faces. Their deep market and regulatory environment knowledge enable leaders to better anticipate industry changes, manage innovations, and ensure the company's competitiveness. Their executive management experience also contributes to the effective implementation of strategies, optimization of corporate processes and proper risk management. Choosing a competent statutory body is therefore an important tool for the long-term stability, growth and success of Kofola ČeskoSlovensko a.s.

Although the members of the administrative, management and supervisory bodies of Kofola ČeskoSlovensko a.s. do not have specific knowledge and skills related to sustainability, they draw on their long-term business experience, as stated in the Annual report (A – 6.4.2 – 6.4.4). In case of need for specific sustainability-related issues, internal and external specialists are utilized.

The Board of Directors of Kofola ČeskoSlovensko a.s. is responsible for overseeing impacts, risks and opportunities as the executive body of the company and is accountable for the day-to-day management of the company's activities, strategic decision-making and business activities management. In this context, it also deals with strategy and business model preparation considering current challenges related to current and potential impacts, risks and opportunities. Within the Kofola Group's behavior, the Board of Directors is responsible for creating and implementing corporate culture, ethical standards and social responsibility.

The Board of Directors, within its overall approach to risk management, incorporates the procedure of identifying, evaluating, and managing impacts and risks related to sustainability into its standard risk management process. These factors are considered in regular risk assessments and, if material, incorporated into the overall risk profile of Kofola ČeskoSlovensko a.s. No new material risks beyond those already defined in the Annual report (A - 5.1) were identified in the preparation of the double materiality assessment for 2024.

The Supervisory Board is a supervisory body primarily responsible for overseeing the performance of the Board of Directors and providing advice to it, as well as overseeing the activities of Kofola ČeskoSlovensko a.s. in general, as stipulated not only by the company's statutes but also by law. In fulfilling its duties, the Supervisory Board must consider the business interests of Kofola ČeskoSlovensko a.s., while also evaluating certain impacts, risks and opportunities. In matters of corporate behavior, the Supervisory Board ensures that the company adheres to ethical standards and legal regulations and also ensures that the Board of Directors manages the company responsibly and sustainably.

Kofola ČeskoSlovensko a.s. also has an Audit Committee, whose responsibilities include, among other things, monitoring the effectiveness of the internal control system, the effectiveness of the internal audit and its independence, monitoring the process of compiling the consolidated financial statements, monitoring the statutory audit process, including the independence of the auditor, etc. The Audit Committee makes recommendations to the Supervisory Board to ensure the integrity of the accounting and financial reporting systems, recommends an external auditor, informs the Supervisory Board about the results of the statutory audit, etc.

The following responsible/appointed individuals address specific impacts, risks and opportunities:

- consolidation and cross-check with financial reporting - Veronika Juřicová
- E1 - Silvie Kovaľ
- E3 - David Sommer

2. GENERAL DISCLOSURES (ESRS 2)

- E4 - Silvie Koval'
- E5 - David Sommer
- S1 - Michaela Trojaková
- S2 - Petr Kulovaný
- S4 - Pavol Chalupka
- G1 - Dominik Krayzel

The main role of these individuals is to collect data and process individual parts of the Sustainability report, including responsibility for providing information to governing bodies and expert oversight of individual topics.

The responsibility of individual bodies or individuals for impacts, risks and opportunities is not specifically reflected in the company's mandate, the appointments of these bodies and related policies. It is limited to statutory limits and any responsibility can be associated with a breach of the duty of care for the Board of Directors or other elected body members.

The Board of Directors of Kofola ČeskoSlovensko a.s. actively oversees the management of ESG impacts, risks, and opportunities through regular meetings with management members of the parent and subsidiary companies. A key element of this process is the management meeting system, where there is an exchange of information and strategic management of material impacts, risks, and opportunities through information from other stakeholders (project team, HR, Legal Department, CFOs, etc.). Subsidiaries management participated in preparing the double materiality assessment and verifying material impacts, risks and opportunities.

In the Kofola Group, the management regularly has:

- Monthly management meeting – smaller operational meetings held monthly, focusing on current risks, impacts and opportunities.

- Quarterly management meeting – broader quarterly meetings with deeper discussion on ESG strategy and its implementation.

Internal auditors ensure oversight of control mechanisms, while legal compliance is the responsibility of the legal department of Kofola ČeskoSlovensko a.s., in collaboration with the legal departments of subsidiaries and external legal advisors. For the next reporting period, the Kofola Group intends to set up a system of control mechanisms similar to that for financial audits, so that the procedures and outputs of impact, risk, and opportunity management are controlled by the Audit Committee.

In the Kofola Group, designated individuals (mentioned above) are assigned to specific sustainability-related topics, who meet regularly on a monthly basis with the CEO to discuss current topics important to the Kofola Group (water retention, water protection, energy saving, land biocertification, circularity, waste and others), solution possibilities and potential strategies. In preparation for meeting ESRS reporting obligations, including ensuring access to further expertise and skills, the Board of Directors approved expanding its workforce with sustainability specialists and continuous support for the education of employees responsible for this agenda, as well as the engagement of external expert advisors.

Primarily, all material impacts, risks, and opportunities are addressed internally within the Kofola Group with designated sustainability experts. Secondarily, consultations occur with experts from various sectors (environmental, social, administrative) as needed. The Kofola Group currently does not have specific targets related to material impacts, risks, and opportunities that would meet the mandatory minimum disclosure requirements set in ESRS 2 and does not plan to adopt targets due to seeking an optimal balance concerning economic costs and new acquisitions.

2. GENERAL DISCLOSURES (ESRS 2)

2.3.2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (GOV-2) AND INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES (GOV-3)

The management, administrative and supervisory bodies of Kofola ČeskoSlovensko a.s. play a key role in overseeing the Group's strategy, decision-making processe and risk management. In carrying out their functions, they consider the impacts, risks, and opportunities associated with business activities, both in the short term and long term.

When approving strategic decisions and significant transactions, these bodies also assess environmental, social and governance factors (ESG), for which the scope of approval processes is not as formalized as in the case of managing economic and operational aspects. The Kofola Group aims to formalize these processes in future reporting periods. This approach helps minimize risks associated with regulation, market changes, or the company's reputation, while also identifying opportunities for sustainable growth.

In the area of risk management, the management and supervisory bodies monitor key business risks, including financial, operational, legal and ESG risks. The risk management process includes analyzing trade-offs between different strategic options considering their impact on stakeholders and the long-term value of the company. This proactive approach ensures that the company's decision-making is responsible and aligned with sustainability principles, thereby contributing to its stable and ethical development.

During the development of the double materiality assessment, the management, administrative and supervisory bodies were presented with topics related to all three areas of the non-financial report in this reporting period. Their task was to select areas that are crucial for the Kofola Group and based on their inputs, these areas were then developed in detail by the internal sustainability team with the help of external consultations, and material impacts, risks and opportunities related to these areas were evaluated.

The specific sections covered the following thematic areas:

E (Environment): climate and carbon footprint; water protection; water savings in production; energy; waste and circularity; packaging and circularity; production and sales.

S (Social): employee satisfaction; customer health; responsible marketing and sales; responsible employer; employee development and education; internal justice; rights and conditions at work; new markets and acquisitions; satisfied partner in the value chain.

G (Governance): corporate culture; corruption and whistleblowing; new acquisitions - legislation; satisfied partner in the value chain.

Members of the management, administrative and supervisory bodies of the Kofola Group do not have sustainability issues integrated into their incentive systems, and their remuneration is not tied to sustainability matters.

2.3.3 STATEMENT OF DUE DILIGENCE (GOV-4)

Core elements of due diligence	Paragraphs in the Sustainability statement
Embedding due diligence in governance, strategy and business model	Cross topics: ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	Cross topics: ESRS 2 SBM-2, ESRS 2 IRO-1 S part: S1-2, S2-2, S4-2
Identifying and assessing adverse impacts	Cross topics: ESRS 2 IRO-1
Taking actions to address those adverse impacts	E part: E1-3, E3-2, E4-3, E5-2 S part: S1-4, S2-4, S4-4
Tracking the effectiveness of these efforts and communicating	E part: E1-4, E1-6, E3-3, E3-4, E4-4, E5-2, E5-3, E5-5 S part: S1-4, S1-5, S1-8, S1-14, S1-17, S2-4, S2-5, S4-4, S4-5

2.3.4 RISK MANAGEMENT AND INTERNAL CONTROLS OVER REPORTING (GOV-5)

Risk management and internal control systems in relation to sustainability reporting and subsequent assessment of results are managed by the internal group reporting department. Findings are presented to the management bodies as needed during regular meetings.

Processes of internal control include corporate governance systems that ensure proper recording and monitoring of all relevant information, which serves as the basis for preparing the Sustainability report. Most companies within the Kofola Group actively use an ERP (Enterprise Resource Planning) system and have internal audit processes in place to verify the effectiveness of established control measures.

The main identified risk related to internal control is the lack of a unified system for implementing new procedures and data collection processes for the specific needs of the Sustainability report in the first reporting year. Companies within the Kofola Group also do not use a unified ERP system, and some of the smaller entities do not have an ERP system in place at all. In the coming years, the Kofola Group plans to establish a standardized procedure for preparing the Sustainability report and collecting data across the entire Kofola Group to ensure greater automation of the overall process.

The approach used for risk assessment, including the methodology for prioritizing risks, is described in IRO-1 (Description of the process to identify and assess material impacts, risks and opportunities).

Since this is a new obligation in the reporting area, some processes and controls are still in the gradual setting-up phase, and their further development and implementation are planned for the next period. The results of the risk and internal control assessments related to the Sustainability report are gradually being integrated into internal functions and processes, as described in point GOV-1 (The role of the administrative, management and supervisory bodies).

2. GENERAL DISCLOSURES (ESRS 2)

2.4. STRATEGY

2.4.1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN (SBM-1)

Among the most significant product groups of the Kofola Group are carbonated soft drinks, mineral and spring waters, beer, teas and fresh juices. Within the served markets and customer segments, the Kofola Group focuses on the retail and gastro sectors in Central Europe. An overview of the significant product groups offered and the major markets served is included in the Annual report (sections A – 4.1.2). As of December 31, 2024, the Kofola Group had a total of 3,301 employees, with 2,467 in the Czech Republic, 377 in Slovakia, 255 in Slovenia, 150 in Croatia and 52 in Poland.

The distribution of total revenues by significant sectors according to ESRS is shown in the table below:

NACE code	Description	Total
		in CZK ('000)
11.07	Manufacture of soft drinks; production of mineral waters and other bottled waters	8,513,093
11.05	Manufacture of beer	1,177,959
56.10	Restaurant and mobile food service activities	630,881
10.83	Processing of tea and coffee	316,655
46.34	Wholesale of beverages	206,201
10.89	Manufacture of other food products n.e.c.	200,938
49.40	Freight transport by road and removal services	18,363
01	Crop and animal production, hunting and related service activities	8,703
70.20	Management consultancy activities	5,121
68.20	Renting and operating of own or leased real estate	2,450
73.10	Advertising	58
G	Wholesale and retail trade	(1,361)

* The amounts do not include consolidation adjustments performed within preparation of the consolidated financial statements.

The company has no additional sectors beyond those listed above.

The strategy of the Kofola Group focuses on the efficient use of resources, packaging circularity and responsibility towards its employees and consumers. The Kofola Group monitors changing consumer preferences and regulatory requirements. From LCA analyses and product carbon footprint analyses commissioned by the Kofola Group, the Group has clear data on the environmental impacts of different types of packaging. Therefore, the Kofola Group strives to prioritize returnable packaging where possible, and for single-use packaging, it emphasizes the use of recycled materials and their full recyclability. Although the Kofola Group currently does not have formally established specific sustainability goals according to ESRS standards, decision-making is based on long-term principles of responsible business and continuous improvement. The Kofola Group recognizes that certain products and markets have a key impact on the environmental footprint, and therefore it keeps track of technological innovations and developments in sustainable materials. Future challenges include possible changes in packaging material regulations, an increasing emphasis on local raw materials, and customer expectations regarding sustainability, to which the Kofola Group intends to respond flexibly and seek solutions in line with the long-term principles of the Kofola Group.

Key elements of strategy - Mission and Vision

The Kofola Group has defined its mission and key pillars of its vision, which it intends to focus on. The Mission and Vision permeate the entire Sustainability report and are referenced throughout its various sections. A detailed description of the Vision is in the section G1.

Key features of the value chain, including breakdown into smaller industry sectors and activities within the supply and customer chains, are presented in the Figure below. This summary complements the description of various inputs and outputs necessary for product manufacturing and business operations while outlining key activities related to its own operations, excluding holding companies. For each point, whether in the supply, internal, or customer parts, the specific sector (1-5) related to the particular activity is also indicated.

(1) BEVERAGE SECTOR - Also referred to as CzechoSlovakia and Adriatic in the financial report, this sector includes the companies Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o. and

Studenac d.o.o. This sector focuses on bottling mineral waters and producing non-alcoholic beverages under both proprietary and licensed brands.

(2) FRESH AND HERBS - Includes the companies LEROS, s.r.o. (CZ) and Leros Slovakia, s.r.o.; UGO trade s.r.o.; Premium Rosa Sp. z o.o. and PRAGEROVY SADY LIBINA s.r.o. This sector covers the production of fresh fruit and vegetable juices and the production and distribution of packaged salads through Salateries, Fresh Bars and retail. It also includes the production and distribution of own herbal teas, syrups and cosmetic products, the purchase of herbs; coffee distribution, coffee service and the operation of an orchard.

(3) BEERS AND CIDERS - Includes the companies Pivovary CZ Group a.s. and F.H.PRAGER s.r.o. This sector encompasses the production of alcoholic and non-alcoholic beer using traditional methods and the production of apple ciders and fermented kombucha.

(4) INVESTMENTS - This sector includes group investment assets - the companies AGRITROPICAL S.A.S. (coffee plantation); General Plastic, a.s. (plastic processing and rPET production) and Zahradní OLLA s.r.o. (since 2025 Tuselie s.r.o.) (production and distribution of self-watering ceramic containers).

(5) SERVICES AND MARKETING - This sector includes companies engaged in various service and marketing activities. Specifically, these are the companies SANTA-TRANS s.r.o. (international truck transport and tyre service); FILIP REAL a.s. (owner, not operator, of accommodation and catering facilities); Supplo s.r.o. (Marketplace; B2B sales intermediation); FONTÁNA PCZG s.r.o. (wholesale); Bylinkárna s.r.o. (protected workshop); MIXA VENDING s.r.o. (operation and service of vending machines); Semtex Republic s.r.o. (marketing activities).

The main inputs for the Kofola Group include raw materials and supplies such as water, sugar, glucose-fructose syrup, malt, hops and packaging, along with their transportation/production. These are transformed into outputs, which include: main products (non-alcoholic beverages, beer and other drinks); packaged tea and coffee; environmental impacts (emissions and waste); economic impacts (dividends for shareholders, tax and customs revenues for governments, social and health insurance contributions etc.); social impacts (employment); intellectual contributions (innovations in packaging materials, etc.); and brand presence (market share and customer satisfaction).

UPSTREAM

- **Production of plastic packaging (1, 2, 3)**

(preforms, caps, stretch films, food packaging)

- **Production of paper packaging (1, 2, 3)**

(cartons, paper bags, labels)

- **Production of metal packaging (1, 3)**

(cans, lids)

- **Production of glass packaging (1, 2, 3)**

(glass bottles, jars)

- **Agricultural activities related to raw material supply (1, 2, 3)**

(sugar, herbs, coffee, tea, fruit concentrates, fresh fruit and vegetables)

- **Extraction of mineral water (1)**

(own wells)

- **Extraction of spring water (1, 3)**

(own wells)

- **Extraction of utility water (1, 2, 3, 4)**

(distribution network)

- **Chemical production (1, 2, 3)**

(sweeteners, preservatives, disinfectants, adhesives)

- **Other production (1, 2, 3, 4, 5)**

(cars, trucks, electronics, etc.)

- **Purchase of technologies, goods and services (1, 2, 3, 4, 5)**

(vending machines, spare parts, energy, heat, cloud services)

OWN OPERATION

- **Bottling mineral water (1)**
- **Preparation, production, filling and packaging of beverages (1, 2, 3)**

(non-alcoholic, alcoholic beverages, juices, syrups and fruit juices)

- **Storage (1, 2, 3, 4, 5)**
- **Facility and administrative buildings (1, 2, 3, 4, 5)**
- **Drying and cutting herbs (2)**
- **Mixing tea blends and packaging (2)**
- **Quality and development of new products (1, 2, 3)**
- **Operation of herb collection centers (2, 5)**
- **Operation of physical stores (2)**
- **Production of packaged salads (2)**
- **Operation of fresh bars and salateries (2)**
- **Operation and repair of vending machines (5)**
- **Production of ceramic pots and watering containers (5)**
- **Recycling PET and production of rPET preforms (4)**
- **Growing apples and pears (2)**
- **Drying fruit and herbs (2)**
- **Operation of Marketplace, sales brokerage (5)**
- **Marketing services (5)**
- **Providing transportation and renting trucks (2, 3, 5)**
- **Operation of gas station, tire service, and auto service (5)**
- **Operation of wholesale (5)**
- **Coffee plantation, coffee growing (4)**

DOWNSTREAM

- **Distribution and logistics (1, 2, 3, 5)**
- **Marketing and PR (1, 2, 3, 5)**
- **HoReCa sales, retail (1, 2, 3)**
- **Rental, sale and repair of gastro equipment (1, 2, 3, 5)**

(dispensing and cooling equipment, coffee machines, refrigerators)

- **Rental of marketing goods (1, 2, 3, 5)**

(umbrellas, deck chairs)

- **Sponsorship (1, 2, 3)**
- **Customer service (1, 2, 3, 5)**
- **Operation of gas station and tire service (5)**
- **Wholesale (5)**
- **Waste disposal (1, 2, 3, 4, 5)**

By integrating all these elements, the Kofola Group creates value for all stakeholders. The business model of the Kofola Group, in relation to its value chain, focuses on active collaboration and optimization of the supply chain (emphasizing the quality of raw materials and supplies and the locality of suppliers), prioritizing key markets, and providing value to a wide range of customers and consumers. At the same time, the Kofola Group ensures it has a diversified supply of key raw materials and supplies from multiple suppliers, thus avoiding dependence on a single source.

2.4.2 INTERESTS AND VIEWS OF STAKEHOLDERS (SBM-2)

The Kofola Group regularly analyzes the interests and opinions of its key stakeholders as part of its due diligence process (stakeholder dialogue) and materiality assessment (see IRO-1). These inputs are crucial for strategic decision-making and adjustments to the business model in light of stakeholders' expectations, regulatory requirements and market trends.

The Kofola Group adapts its strategy and business model to reflect stakeholder expectations, particularly in areas of regulatory requirements and market trends, while also aligning with its Mission and Vision. These changes include, for example, more transparent reporting, involving stakeholders in decision-making processes, and implementing innovative solutions.

The Kofola Group continues to address issues such as reducing the negative environmental impacts of business, enhancing stakeholder dialogue, and evaluating the fulfillment of its Mission and Vision and responsible business practices. The timing of implementing specific steps depends on the particular cases, their complexity and financial demands. Generally, the strategy for the Mission and Vision is directed towards 2030.

These steps are expected to deepen relationships with stakeholders and better align the corporate strategy with their expectations. They may also contribute to increased trust and loyalty among key stakeholders.

The administrative, management and supervisory bodies are regularly informed about the opinions and interests of stakeholders through structured reports, stakeholder engagement processes and discussions during management meetings. This process ensures that strategic decisions reflect stakeholder expectations and support the long-term sustainability of the business.

ESRS 2 – GENERAL DISCLOSURES

Stakeholder	Interests and purpose of engagement	Method of engagement	Impact on operations, business Model and Strategy of companies within Kofola Group
Company Management	• Strategic management of the company • Achieving business goals • Risk management • Sustainability issues • Quality of products and services • Development of Kofola Group	• Regular meetings of the executive leadership • Strategic planning • Internal reporting • Performance overviews and decision-making processes at the board level • Sustainability meetings • Leadership training, workshops, press, symposia and conferences	Key management decisions influence the overall direction of the company, financial results, and the ability to adapt to changing market conditions. Effective management and engagement help align business goals with sustainable practices.
Employees	• Working conditions and environment • Benefits beyond legislative obligations • Work safety • Company development • Personal development	• Daily communication - KofoApp • Internal quarterly magazine • Quarterly discussion meetings with management • Performance assessment • Feedback • Innovation days • Training, workshops, symposia and conferences	Findings from employee engagement activities are analyzed and integrated into the long-term strategy - Mission and Vision 2030. Creating employee benefits, improving the environment and working conditions in companies based on employees' suggestions.
Suppliers	• Building mutual relationships and collaboration • Sustainability - circularity, carbon footprint • Quality of products and services	• Audits and site visits • Risk assessments • In-person and virtual training, supplier summits	Collaboration with suppliers helps Kofola Group improve product and service quality, better understand market demands and challenges. Creating mutual paths for more sustainable business.
Investors	• Transparent business information • Financial performance of Kofola Group • Progress in sustainability	• Annual and semi-annual reports • Quarterly financial statements • Investor calls, ad hoc stock exchange announcements • Press releases • Regular investor meetings	Influence on business strategy, which can be applied through regular communication, voting rights, proposals and activism.
Communities	• Economic benefits • Job creation in countries where Kofola Group operates • Impact on surroundings in areas of operation • Sustainability and public health strategy	• Irregular meetings with representatives of municipalities around Kofola Group's production facilities • Engagement in community activities where Kofola Group operates	Through engagement and dialogue with key municipal representatives in areas around production facilities, Kofola Group strengthens relationships and collaborates on building affected areas.
Nonprofit and non-governmental organizations	• Collaboration on social responsibility and environmental protection projects • Community support • Promoting sustainable business practices • Partners and advisors	• Collaboration on sustainability projects • Participation in conferences, educational and awareness workshops • Partnerships in initiatives focused on climate protection, biodiversity and responsible resource management • Supporting local communities through grants, volunteer programs	Partnerships help Kofola Group strengthen sustainability goals, increase credibility of initiatives, and identify new opportunities for positive impacts. Their feedback and expertise allow Kofola Group to improve strategies and exceed regulatory expectations.

Industry organizations and associations	• Collaboration with industry partners, including competitors, to improve responsible and sustainable business practices • Partnership in initiatives	• Membership, partnership and regular meetings in industry organizations (e.g., Czech Soft Drinks Association; Mineral Waters Union; Czech Beer and Malt Association and similar equivalents in other countries where the group operates)	Significant influence on policies, practices and goals, joint solutions to problems and approaches to expected regulatory and other requirements.
Consumers	• Changes in portfolio • Demand • Quality of products • Circular and sustainable products and business • Partnership in public events	• Official product communications • Advertising • Marketing campaigns, social media • Consumer surveys and questionnaires • Personal meetings at partner events	Growing demand is associated with expanding the portfolio of non-alcoholic and low-alcoholic beverages. Consumers have a significant influence on their quality, appearance, taste, and generally contribute to the approach to circular business and responsible marketing practices.
On- and off-trade Customers	• Quality of products • Quality of services • Circular and sustainable products and business	• Regular communication and visits to key customers • Customer support • Customer satisfaction surveys, filling out customer questionnaires for suppliers • Collaboration on events and campaigns	Impacts on operations and the Kofola Group vary by market in which it operates. Collaboration with customers sets trends for quality and development departments and leads to specific sustainability requirements in some markets.

SBM-2 ESRS S1

The key engaged stakeholder group for the topics addressed in chapter S1 – Own workforce includes the Group's own employees, as well as individuals contracted to provide labour (self-employed workers) and those provided by employment agencies ("agency workers"). Their interests, the method of engagement, and their impact on the Group's strategy and business model are described in the table above. Compliance with employees' human rights within the EU is ensured through European legislation (e.g. the EU Charter of Fundamental Rights, the Working Time Directive, and the GDPR) as well as international conventions (e.g. the United Nations), which guarantee fair working conditions, non-discrimination, the right to remuneration, and freedom of association. For employees, this translates into protection of their dignity, equal treatment, and workplace safety.

SBM-2 ESRS S2

With regard to specific material impacts, the key stakeholders involved are mainly suppliers, while employees in the value chain are the affected parties. The method and purpose of supplier engagement are specified in the table above. Employees in the supply chain are not yet listed as a separate stakeholder, all potential information and communication with them occur through cooperation with suppliers.

SBM-2 ESRS S4

The interests and opinions of consumers and end users are obtained through consumer behavior analysis or customer feedback, on the basis of which the Kofola Group regularly updates its strategy and adapts its business model accordingly, as described in more detail in Chapter S4.

2.4.3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

ESRS topic	Impact/risk name	Value chain: Upstream	Value chain: Own operations	Value chain: Downstream	Description of impact/risk (N = negative impact, P = positive impact, a = actual, p = potential)	Time assessment: <1 year	Time assessment: 1-5 years	Time assessment: 5-10 years
E1 – Climate change								
Climate change mitigation and adaptation	*Purchase of materials and raw materials*	x			**Impact (N;a):** The purchase of materials, raw materials, goods, and services for production constitutes the largest share of the Kofola Group's carbon footprint.	x	x	x
	Long-distance transport (import)	x			**Impact (N;a):** Long-distance transport of products, raw materials, and materials from countries outside Europe is associated with greenhouse gas emissions and increased fossil fuel consumption.	x	x	x
	Energy-intensive production		x		**Impact (N;a):** The production of some of our products is energy-intensive.	x	x	x
	Climate change	x	x		**Risk:** Physical risk of climate change, which can cause unusual weather fluctuations throughout the year (prolonged drought, hydrological drought, extreme temperatures, occurrences of tornadoes, hail), directly physically affecting production, plants, agricultural raw materials, yield, or even the entire crop.		x	x
	Legislative changes	x	x		**Risk:** Transition risk related to legislative changes, which may lead to higher prices for energy, fuels, vehicle fleets, gas, changes in suppliers, or the need for in-house electricity generation. High costs for new types of reporting, the need for new employees, consultants, auditors and high administrative demands.		x	x
E3 – Water and marine resources								
Water	*Water consumption – excessive/inefficient use of water*		x		**Impact (N;p):** Excessive or inefficient use of water for product manufacturing can negatively affect the availability of this resource in the area.		x	x

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	Water withdrawals – excessive water extraction		x		**Impact (N;p):** Excessive extraction of water from Kofola Group wells and springs can potentially negatively impact water availability in the area.	x	x	x
E4 - Biodiversity and ecosystems								
Direct impact drivers of biodiversity loss	*Intensive agricultural activities*	x			**Impact (N;a):** Agricultural activities and crop cultivation in areas where there is a risk of impact on biodiversity can result in the potential loss of communities (e.g., pollinators) and related soil erosion (leaching of the nutrient-rich top layer - eutrophication of waters) and potential deforestation.	x	x	x
	Soil pollution	x			**Impact (N;a):** Soil pollution due to agricultural activities related to the use of fertilizers and pesticides can significantly affect biodiversity and ecosystem balance.	x	x	x
E5 – Circular economy								
Resource outflows related to products and services	*Packaging - littering*			x	**Impact (N;a):** Packaging – littering is a negative environmental impact associated with the end-of-life of our products.	x	x	x
	Packaging - contamination			x	**Impact (N;p):** Chemical contamination of soil/water by microplastics is a potential impact that may arise from improper processing/poor waste management.		x	x
	Packaging - landfilling			x	**Impact (N;a):** Landfilling is one form of waste disposal in regions where the Kofola Group sells its products. Waste disposal through landfilling is associated with several environmental impacts.	x	x	x
Waste	*Waste - low recycling rate*		x		**Impact (N;a):** A low recycling rate of waste leads to excessive landfilling, and at the same time, the low recyclability of Kofola Group's packaging leads to the overuse of primary raw materials.	x	x	x
	Waste - landfilling		x		**Impact (N;a):** Waste disposal through landfilling is associated with several environmental impacts.	x	x	x
S1 – Own workforce								
Working conditions	*Trade unions and collective bargaining*		x		**Impact (P;a):** Collective bargaining supports open communication and reduces the risk of labor disputes, helpinh to achieve balanced working conditions and a stable work environment.	x	x	x

	Work-related injuries		x		**Impact (N;p):** There is a potentially greater likelihood of work-related injuries in manufacturing and warehouses due to the nature of the work	x	x	x
S2 - Workers in the value chain								
Working conditions	*Unsatisfactory working conditions*	x			**Impact (N;p):** Inadequate working conditions for workers in the value chain may potentially lead to non-compliance with working conditions set by international agreements and fair principles.	x	x	x
Other work-related rights	*Child labour and forced labour*	x			**Impact (N;p):** Potential impact on the living conditions of employees in the supply chain. The use of child labor and forced labor by suppliers from non-EU countries.	x	x	x
S4 - Consumers and end-users								
Health and safety	*Products with higher sugar content*			x	**Impact (N;p):** Products/beverages with high sugar content pose a risk of contributing to the development of obesity and related chronic diseases.	x	x	x
	Energy drinks			x	**Impact (N;p):** Excessive consumption of energy drinks may lead to health risks associated with high caffeine content and other stimulants.	x	x	x
	Alcohol			x	**Impact (N;p):** Excessive consumption of alcoholic beverages can pose health and social risks.	x	x	x
Responsible marketing practices	*Irresponsible marketing*			x	**Impact (N;p):** Particularly vulnerable groups, such as children and adolescents, may be more sensitive to certain marketing strategies.	x	x	x
G1 – Bussiness conduct								
Corporate culture	*Poorly set corporate culture and behavioral principles in the company*	x	x		**Impact (N;p):** Potential occurrence of incidents among employees, disrupted employee-employer relationships and impact on suppliers and other stakeholders.	x	x	x

The material impacts, risks and opportunities outlined in this Sustainability report, whether in any part of the value chain, primarily relate to the largest business sectors, which are the Beverage sector, the Beer and Cider sector and the Fresh and Herbs sector. These sectors include also the largest production facilities, mainly located in Central Europe (Czech Republic, Slovakia and Poland), as well as in Slovenia and Croatia. Inputs, outputs and distribution channels are described in more detail in the business model and value chain sections.

Based on the assessment of the severity of the impacts and how these will influence the strategy and value chain of the entire Kofola Group, the prioritization of approaches to addressing them will be set. Specific measures that the Kofola Group has either already implemented or plans to implement to mitigate these impacts are listed in the respective sections (in the Actions and resources parts). If not specified in these sections, solutions to specific impacts or risks have not yet been detailed.

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Currently, the Kofola Group does not report any financial impacts associated with material risks that could affect its financial situation, performance, or cash flows. The Kofola Group has not identified any material risks or opportunities that could lead to significant adjustments to the accounting assets and liabilities reported in the relevant financial statements in the next annual reporting period. The Kofola Group has not yet established a specific resilience strategy and business model regarding the ability to address material impacts and risks. Individual impacts are addressed according to their specific needs and the severity of these impacts.

The current list of material impacts, risks and opportunities partially derives from the assessment of material topics conducted for the Kofola Group in 2022. However, since 2022, there have been significant changes in the structure of the Kofola Group, including acquisitions of new companies, particularly in the reported year 2024 (details about the changes are provided in the financial report). The double materiality assessment has also been altered compared to the previous period due to different assessment requirements demanded by the ESRS standards.

The Kofola Group does not report any additional specifications of impacts, risks and opportunities beyond those included in the ESRS standards and does not provide additional entity-specific information.

Other information related to material impacts, risks and opportunities not stated in ESRS 2 are presented within individual sections.

2.5. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

2.5.1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO – 1)

Double Materiality Assessment (DMA) of the Kofola Group 2024

The assessment of material topics was first conducted for the Kofola Group in 2022 by an external consulting firm. Based on the results of this assessment and considering the expansion of the Kofola Group, a more thorough approach was adopted in 2024, aligned with the European Sustainability Reporting Standards (ESRS). This revised assessment ensures a more detailed and structured evaluation of material impacts, risks and opportunities (IROs) across the value chain. This assessment includes both impact materiality (effects on the environment, society and people) across all significant business relationships, taking into account the geographical location of business activities and financial materiality (risks and opportunities affecting financial performance). The DMA covered the upstream supply chain, the Kofola Group's own operations and the downstream value chain, as well as impacts that the Kofola Group might enhance due to its business relationships. The description of the value chain is provided earlier in this section.

Impacts were also assessed from a geographical perspective. The facilities of individual companies within the Kofola Group are located in five countries: Czech Republic, Slovakia, Slovenia, Croatia and Poland. Since 2024, the Kofola Group, through Cafe Dorado s.r.o. and AGRITROPICAL S.A.S., has also been operating in Colombia.

The process included:

1. **Mapping the current state of Kofola and the external context**

The process of identifying, assessing and monitoring risks and opportunities is based on the DMA assessment conducted in 2022, value chain analysis, stakeholder dialogue and internal analyses. Special emphasis is placed on significant resources and relationships affecting the financial performance of the business, which were thoroughly processed in the double materiality assessment. Within the DMA assessment, the most significant resources (e.g., water, energy, raw materials, etc.) and resources with the greatest impact (in terms of carbon footprint) and relationships on which the company's financial performance depends were assessed. Impacts were identified based on the knowledge of the company's own operations (i.e., processes, consumption, waste, working conditions, certifications, etc.) as well as in the supply chain (procured raw materials, materials and products, existing due diligence in the supply chain, etc.). Additionally, a list of sustainability topics relevant to the beverage industry was compiled based on research. These resources and relationships were then categorized into topics and subtopics established by the ESRS standard, and the severity and significance were assessed.

2. Engagement of internal and external stakeholders

Impacts, risks and opportunities were identified based on stakeholder surveys, legislative requirement and internal analyses within the Kofola Group. A stakeholder attitude survey, prepared in 2022 as part of the development of the Kofola Group's sustainability strategy, was also used for identification purposes. Seven groups were included in the stakeholder dialogue (Kofola management, Kofola employees, consumers, non-profit organizations, Kofola suppliers, municipalities and investors). Data collection primarily utilized questionnaire surveys. The stakeholder dialogue for 2024 was conducted at the top management and supplier levels. Risks and opportunities were determined based on the evaluation of internal risk control with the participation of internal experts (ESG preparatory team, engagement of relevant departments, management involvement) first as a list of all risk topics and from these, material ones were selected concerning their financial impact and likelihood of occurrence, with the results summarized into a comprehensive materiality matrix.

3. Evaluation of material impacts

Impacts were assessed in four dimensions - scope, scale, irreversibility (= severity of impact) and likelihood of occurrence. The scope was assessed based on the amount of raw material or service procured within the market or region, the number of affected individuals, or the proportion of affected employees. The scale determined the extent to which the impact is harmful in the case of negative impacts or contributes in the case of positive impacts. Irreversibility was assessed only for negative impacts and determined whether the impact is irreversible, for example, if its consequences cannot be reversed or only under exceptional circumstances or with extraordinary means. Impacts were further divided into current and potential. The likelihood then assessed whether the impact would occur and was applied only to potential impacts. For impacts affecting human rights, priority was given to severity over the likelihood of occurrence. The final assessment is the sum of these factors, with material significance determined by achieving a score of 5 or more. Assessment takes place over three time horizons – short-term (up to one year), medium-term (1–5 years) and long-term (5–10 years).

4. Evaluation of material risks

The assessment of the significance of impacts and financial significance is interconnected, with the interdependence material these two dimensions considered in the decision-making process. The existence of material risks and opportunities unrelated to the impacts of the Kofola Group was also considered, and the significance of impacts was taken into account regardless of whether they were financially material. The assessment included quantitative and qualitative thresholds and was evaluated regarding climate model scenarios (RCP 2.6 low emissions and RCP 6.0 high emissions). Risk and opportunity assessments follow a scale from 0 to 4, reflecting their severity, likelihood and financial impact on the Kofola Group.

The following scales define how individual risks are assessed:

Possible Impact:

- *Low* – The risk has minimal influence on financial results, operations, or strategic direction. A potential event would be easily manageable through standard processes and would not threaten business continuity - corresponding to an impact rating of 0-1.
- *Medium* – The risk could significantly affect certain business areas, such as financial performance, operational efficiency, or reputation. Additional resources and management would be necessary to address it - corresponding to an impact rating of 2-3.
- *High* – The risk has a severe impact on the company, potentially leading to losses, threats to long-term strategy, serious operational challenges, or negative regulatory consequences - corresponding to an impact rating of 4.

Probability:

- *Low* – The risk is unlikely, has not historically occurred, or occurs very rarely. Both natural and established control mechanisms make it improbable - corresponding to a probability rating of 0-1.
- *Medium* – The risk is possible, has occasionally occurred in the past, and may occur again. It requires active monitoring and management - corresponding to a probability rating of 2.
- *High* – The risk is probable to very probable, has repeatedly appeared in the past, and without proper management, can have material impacts. It requires priority attention - corresponding to a probability rating of 3.

The scale for assessing risks and opportunities (i.e., the size of the financial effect):

Assessment	Risk severity	Description
0	Superficial	No / negligible costs or benefits. Superficial risks and opportunities may have minimal impact on the company's financial performance and value. They may involve negligible costs or benefits related to ESG issues, such as minor adjustments to business processes.
	Minor	Minor costs or benefits. Minor risks and opportunities may have a slight impact on the company's financial performance and value. They may include modest costs or benefits related to ESG issues, such as marginal increases in employee productivity or customer satisfaction.
2	Moderate	Costs within the standard budget / Moderate efficiency and operational benefits. Moderate risks and opportunities may slightly impact the company's financial performance and value. They may include moderate costs or benefits related to ESG issues, such as gradual improvements in operational efficiency, product quality, or customer loyalty.
3	Significant	Significant impact on company operations or debt / Significant savings or efficiencies. Significant risks and opportunities can have a substantial effect on the company's financial performance and value but are not existential threats or game-changing opportunities. For example, significant risks may include substantial fines from regulatory bodies or loss of market share due to ESG failures, while significant opportunities may involve significant cost savings or revenue increases due to effective ESG management.
4	Catastrophic	Loss of license or liquidation of the company / Fundamental change to the business model. This is the highest level of ESG risks and opportunities. Catastrophic risks may result in the loss of the company's license to operate, severe legal disputes, or significant reputational damage that could lead to a large loss of customers or employees. Catastrophic opportunities may involve innovations or strategic moves that fundamentally change the company's business model or market position, leading to a substantial increase in its financial performance and value.

The assessment was based on a combination of financial impacts, the likelihood of their occurrence, and the timeframe in which they may manifest, with material significance determined for a score of 4 and above.

The Kofola Group is exposed to various risks, some of which are not directly under its control. If these risks are not properly assessed and managed, they can significantly impact the Kofola Group's business. The goal of the risk management approach is not only to address and manage risks and uncertainties in a timely manner but also to capitalize on opportunities that may arise in mitigating them. Risks and opportunities were analyzed in relation to the most significant resources, which allowed for an understanding of their interconnectedness with the Kofola Group's value chain. In its risk management approach, the Kofola Group considers a wide range of factors. Sustainability-related risks are not prioritized over other risks. The severity and approach to risk management is the responsibility of the board of directors of Kofola ČeskoSlovensko a.s.

In the assessment, the extent of individual risks or opportunities is primarily evaluated in terms of their impact on the financial operation of the Kofola Group and the likelihood of the risk occurring. The procedures and systems for risk management also include the assessment of their relationship to the environment and climate; to social aspects; and, last but not least, to market and marketing trends. Risks, environmental, and social impacts are continuously proposed by designated responsible persons within the Kofola Group, who are in charge of key business areas of the Kofola Group (production, sustainability, sales, marketing, HR, legal and finance departments). The Board of Directors bears the ultimate responsibility for an effective system of impact management, risk management and internal control. Key topics are continuously monitored, and preventive measures are taken to reduce severity, vulnerability, and minimize their potential impact on the Kofola Group.

As part of its overall risk management approach, the Kofola Group incorporates the process of identifying, assessing, and managing impacts and risks associated with sustainability into its standard internal control process. These factors are considered within regular assessments and, if material, incorporated into the overall risk profile of the Kofola Group. The assessment takes place at the management level of Kofola ČeskoSlovensko a.s. (board of directors). In analyzing risks, impacts and opportunities, the company utilizes a wide range of input data and parameters. Key sources include internal operational data, legislative requirements, external studies and market analyses, consultations with experts and feedback from stakeholders. The double materiality assessment according to the ESRS standard was conducted for the first time for the year 2024, and a revision of the materiality assessment will be carried out for the year 2025. A comparison with the previous reporting period is not relevant.

5. Prioritization of material topics

Based on a detailed analysis conducted according to the steps mentioned above, priority topics for the Sustainability report were evaluated. The Double Materiality Assessment (DMA) for the Kofola Group took into account industry trends, regulatory requirements, media analysis and benchmarking against competitors. Based on the requirements of the ESRS standards, there was no identified need to disclose information beyond these standards.

6. Verification of findings with experts and confirmation by the Board

The prioritization of topics and their connection to the Sustainability report was carried out with the assistance of independent consultants (to navigate the complex structure of ESRS standards and confirm the correctness of the topics). The double materiality assessment was prepared in collaboration with the heads of individual departments and approved by top management, ensuring its integration into the strategic management of the Group. Overall, this process is part of the broader sustainability strategy of the Kofola Group, which relies on regular engagement with both internal and external stakeholders.

7. Key identified material topics

Based on thorough analysis, the Kofola Group identified the most significant sustainability topics, divided into two categories: material impacts on the environment, society, and people (21 impacts identified) and financial materiality in terms of risks to the Kofola Group (2 risks identified). Details and descriptions of individual impacts and risks are provided below or within the respective ESRS topics.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1 ESRS E1)

We have identified two material risks for the Kofola Group. (1) Physical risks related to climate change, which can cause extreme weather effects and threaten production and raw material supplies. (2) Transitional legislative risks related to existing legislation (in the short term) and with newly emerging legislation and regulations concerning strict greenhouse gas regulations, carbon pricing, and increased costs resulting from the restriction or prohibition of fossil fuel use. Other transitional risks have not been assessed as material.

The core business of the Kofola Group (Beverage sector and Beer and Cider sector) is centralized in Central Europe, and compared to other industrial sectors, the business model is neither classified among energy-intensive manufacturing processes nor among productions with a high carbon footprint. The largest share of the carbon footprint is in Scope 3, the purchase of raw materials and materials (included in category 3.1. Purchased goods and services), with the purchase closely linked to the transport of raw materials. Another share of the carbon footprint comes from production, not only from the perspective of Scope 1 and 2 but also Scope 3, where greenhouse gas emissions are related to the need for refrigeration and dispensing equipment for storing and selling main products (non-alcoholic beverages and beer), especially in catering establishments.

The assessment and identification of long-term risks were conducted using the framework assessment according to the TCFD (Task Force on Climate-related Financial Disclosures). The evaluation was based on probable climate scenarios RCP 2.6 and RCP 6.0. These insights were supplemented with qualified estimates, and selected risks and opportunities were subsequently discussed with internal stakeholders to better understand their impacts. The assessment was carried out considering the geological location of activities, specific locations of manufacturing plants; sources of drinking water (mostly own groundwater sources); sources of process water; wastewater treatment systems; electricity supply; and the overall condition of manufacturing plants or agricultural sites. The impacts of changing climate in the agricultural sector have implications for the Kofola Group, particularly in terms of threats to the supply and quantity of some key raw materials. At the same time, transitional risks were also considered from a geopolitical perspective and macroeconomic trends.

The majority of the Kofola Group's production falls under the food industry, specifically the Beverage sector and the Beer and Cider sector, and is closely linked to the need and consumption of water. Most large manufacturing plants use their own water from underground sources for production, and in the designated long-term period, no material impact on the reserves and quality of groundwater is expected in the areas where the plants are located. The maximum amount of water that can be drawn is set for all wells, and groundwater levels in own wells are continuously monitored by the quality department. The manufacturing plants most threatened by climate change are those where the Kofola Group relies on drawing spring and mineral water from underground sources, as well as the supply chain through its agricultural activities. In the evaluation of physical risks, the Kofola Group took into account the locations of manufacturing plants (according to NUTS 3 region), but the exact locations of agricultural sites in the supply chain were not possible to assessed by the Kofola Group.

In identifying transitional risks, various climate-related transformative events (political, market, technological, reputational) were considered, but only legislative risk was evaluated as material (medium to high financial impacts with a higher probability of occurrence than others). This risk may occur for all assets in all geographic locations (greater weight of this risk because legislation is not uniform for companies within the Kofola Group) with an uncertain scope, especially for the long-term timeframe and given the long-term geopolitical situation. The classification of climate-related hazards was assessed based on a report published by the European Environment Agency (European Climate Risk Assessment. Copenhagen: European Environment Agency, 2024. EEA Report 01/2024) and from climate data for the Czech Republic and Central Europe on the ClimRisk web platform, developed by the Institute for Global Change Research of the Academy of Sciences of the Czech Republic.

Classification of climate-related hazards

Classification of climate-related hazards		
Temperature-related	**Wind-related**	**Water-related**
Chronic (long-term horizon)		
Changing air temperature (almost certain)		Precipitation or hydrological variability (very likely)
Acute (short-term, medium-term and long-term horizon)		
Heatwave (very likely) Cold wave/frost (likely)	Hurricane/tornado (possible) Storm (likely)	Drought (likely) Heavy precipitation (very likely) Flood (very likely)

The table Classification of Climate-Related Hazards identifies situations that may contribute to a specific level of warming or result from it as a consequence. However, it does not take into account mitigation measures (actions to reduce impacts) implemented by the Kofola Group or its individual companies. This assessment was used to determine risk levels in the resilience analysis, which were evaluated as material. Inputs for the analysis were provided by risk management and sustainability teams and helped define the scope of the risks listed below. These risks (both physical and transitional) pertain to the medium- and long-term horizon, and no material risks associated with substantial financial costs are anticipated in the short-term horizon. Transitional risks (legislative) apply to the entire Kofola Group; however, the Kofola Group is currently unable to accurately determine the extent to which its assets may be threatened, nor the probability, scope, and duration of events associated with this transition. No assets or business activities have been identified as incompatible with the transition to a climate-neutral economy.

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (IRO-1 ESRS E3)

As part of the double materiality assessment (DMA), the Kofola Group identified two material impacts. Both impacts are related to the use of water and water resources. When identifying material impacts, the focus was primarily on the company's own operations. The Kofola Group relied mainly on long-term operational experience and internal reviews of water use at its main production sites.

The preceding parts of the value chain were considered indirectly. The Kofola Group drew on collaboration with suppliers of materials and raw materials and leveraged insights from previously conducted studies and projects, such as LCA analyses of packaging materials. Direct consultations with affected communities are conducted regularly during meetings with local governments and communication with authorities.

Both identified impacts pertain to the company's own operations, specifically the use of water in beverage production and the extraction of water from its own water resources. Excessive or inefficient handling of water or excessive extraction from water sources can negatively affect water availability in the area.

The Kofola Group primarily uses water for beverage production in the soft drinks and beer and cider sectors. Water is not only a main ingredient in beverages but also plays a key role in the sanitation of production technologies and the washing of returnable packaging. Irresponsible water management in production can lead to unnecessary overuse.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (IRO-1 ESRS E4)

The Kofola Group identified two material potential negative impacts on biodiversity related to intensive agricultural activities (supply chain) and possible soil pollution (supply chain). No physical or transitional material risks/opportunities were identified, and systemic risks were not considered in this analysis. The negative impacts were deemed material due to the reliance on natural resources and their effects on ecosystems, biodiversity and water. The focus was on the ten largest suppliers of raw materials for production within the Kofola Group and suppliers of agricultural crops. The assessment did not include more specific criteria or ecosystem services.

In assessing the impact of its own operations on biodiversity, the Kofola Group evaluated that two production plants are located within or near areas with biological diversity. The assessment was conducted using the Digital Register of the Nature Conservation Agency of the Czech Republic and the Key Biodiversity Areas (KBA) tool. Due to the established pollution management practices, the Kofola Group does not consider it likely that its own sites have a material impact on biodiversity. Local markets are responsible for complying with local biodiversity regulations, and thus the Kofola Group does not have a global overview of whether measures to mitigate biodiversity impacts were necessary.

The above reasons explain why the impact on biodiversity in the Kofola Group's own operations, in terms of the location of production sites in these areas, is currently not material. Based on the conducted analysis, it was concluded that no measures are needed to mitigate biodiversity impacts at the Kofola Group's operations.

During the assessment of the Kofola Group's impacts, it was concluded that material impacts on biodiversity within the value chain are related to agricultural activities (cultivation of raw materials needed for production) in the supply chain. No material impacts were found related to soil degradation, desertification, or soil sealing. Key crops affected by these impacts were identified: sugar beet; corn; cereals (wheat, barley); fruits (apples, oranges, red grapefruits, strawberries, pineapples, mangoes, bananas); vegetables (various types of leafy salads, carrots, cucumber); coffee and tea.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1 ESRS E5)

Within the double materiality assessment (DMA), six material impacts were identified related to resource use and the circular economy. Specifically, these impacts pertain to packaging and waste. The

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Kofola Group based the identification of material impacts in the area of resource use and the circular economy primarily on its extensive operational experience and internal review of the situation at its main production sites. A formal analysis in this area has not been conducted. However, the Kofola Group utilized insights from previously conducted studies and projects, such as LCA analyses of packaging, carbon footprint analyses of packaging, and waste audits carried out at several of its plants. Although these insights focused on specific issues, they provided an overall relevant view of the environmental impacts associated with packaging materials and waste generation.

Earlier parts of the value chain, especially packaging material suppliers, were considered indirectly—through insights from negotiations and collaborations with suppliers and projects focused on packaging recyclability and circularity.

The Kofola Group did not conduct direct consultations with affected communities at this stage, as the identified impacts were assessed as operational in nature and did not have an immediate effect on surrounding communities.

Overpackaging and poor recyclability are primarily linked to inappropriately chosen packaging design. This can lead to low recycling rates, landfilling, and littering associated with the end of the packaging life cycle. This is a material environmental impact that the Kofola Group strives to mitigate by improving recyclability, raising awareness, and promoting deposit systems. Another material impact associated with Kofola Group's packaging is microplastic contamination. Some plastic materials decompose into microplastics in nature, infiltrating water and soil ecosystems. The Kofola Group is fully aware of this impact, but currently lacks the ability to monitor and quantify it more effectively. Like the previous impacts, the Kofola Group can indirectly mitigate this impact by improving recyclability and promoting deposit systems. The aim of the Kofola Group is material circularity.

Additionally, the Kofola Group identified material impacts related to waste in its own plants and their subsequent disposal. This primarily involves low recycling rates and waste disposal through landfilling. The Kofola Group is aware of these environmental impacts and is striving to mitigate them.

These topics and their associated impacts are not material for all companies within the Kofola Group. This topic is most significant for the Beverage sector and the Beer and Cider sector, where packaging is most diverse in terms of types. Moreover, the Beverage sector generates the largest quantity of packaging overall, with some material negative impacts associated with packaging like PET bottles. The issues of packaging and waste are also addressed in companies such as Pivovary CZ Group a.s., F.H. Prager s.r.o., LEROS, s.r.o., UGO trade s.r.o. and Premium Rosa Sp. z o.o.

2.5.2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT (IRO-2)

Based on the assessment of double materiality and material IROs, a list of disclosure requirements according to data points in the ESRS was established in the GAP analysis, which will be reported. The assessment of whether a data point is material did not rely solely on the outcomes of the DMA and IROs, but also on the availability of data, formal policies, measures and goals.

Based on this evaluation, the topics **E2 Pollution** and **S3 Affected communities** were designated as non-material for the double materiality assessment (DMA) process in 2024. However, relevant aspects of pollution are integrated into material topics such as **E3 Water and marine resources, E4 Biodiversity and ecosystems** and **E5 Resource use and circular economy**, ensuring that key environmental impacts are taken into account. Similarly, aspects related to affected communities are incorporated into E3 Water and marine resources, reflecting the Kofola Group's commitment to responsible water management and community engagement.

Even though the topics of Pollution and Affected Communities were designated as non-material for 2024, the Kofola Group remains committed to monitoring and evaluating their potential impacts, risks and opportunities. Their materiality will be reviewed annually within the DMA process to ensure that Sustainability report remain relevant and aligned with changing business priorities and stakeholder expectations.

The following table provides an overview of the identified material topics and disclosure requirements that are part of the Sustainability report, along with references to specific pages of this Sustainability report.

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Standard	Disclosure identifier	Disclosure requirement	Page
ESRS 2 – General disclosures	BP-1	General basis for preparation of the Sustainability statement	D-4
	BP-2	Disclosures in relation to specific circumstances	D-4
	GOV-1	The role of the administrative, management and supervisory bodies	D-5
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	D-8
	GOV-3	Integration of sustainability-related performance in incentive schemes	D-8
	GOV-4	Statement on due diligence	D-9
	GOV-5	Risk management and internal controls over sustainability reporting	D-9
	SBM-1	Strategy, business model and value chain	D-10
	SBM-2	Interests and views of stakeholders	D-13
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-16
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	D-19
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's Sustainability statement	D-25
ESRS E1 – Climate change	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-32
	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	D-19
	E1-1	Transition plan for climate change mitigation	D-34
	E1-2	Policies related to climate change mitigation and adaptation	D-34
	E1-3	Actions and resources in relation to climate change policies	D-34
	E1-4	Targets related to climate change mitigation and adaptation	D-34
	E1-5	Energy consumption and mix	D-35
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	D-36
ESRS E3 – Water and marine resources	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	D-21
	E3-1	Policies related to water and marine resources	D-49
	E3-2	Actions and resources related to water and marine resources	D-50
	E3-3	Targets related to water and marine resources	D-50
	E3-4	Water consumption	D-50
ESRS E4 – Biodiversity and ecosystems	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-53
	IRO-1	Material impacts, risks and opportunities and their interaction with strategy and business model	D-21
	E4-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	D-54
	E4-2	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	D-54
	E4-3	Policies related to biodiversity and ecosystems	D-54
	E4-4	Actions and resources related to biodiversity and ecosystems	D-54
	E4-5	Targets related to biodiversity and ecosystems	D-55
ESRS E5 – Resource use and circular economy	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	D-22
	E5-1	Policies related to resource use and circular economy	D-58
	E5-2	Actions and resources related to resource use and circular economy	D-58
	E5-3	Targets related to resource use and circular economy	D-58

	E5-5	Resource outflows	D-59
ESRS S1 - Own workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-17
	S1-1	Policies related to own workforce	D-64
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	D-64
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	D-65
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	D-65
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	D-66
	S1-6	Characteristics of the undertaking's employees	D-66
	S1-8	Collective bargaining coverage and social dialogue	D-67
	S1-14	Health and safety metrics	D-67
	S1-17	Incidents, complaints and severe human rights impacts	D-68
ESRS S2 - Workers in the value chain	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-18
	S2-1	Policies related to value chain workers	D-71
	S2-2	Processes for engaging with value chain workers about impacts	D-71
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	D-71
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	D-71
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	D-71
ESRS S4 - Consumers nad end-users	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	D-74
	S4-1	Policies related to consumers and end-users	D-75
	S4-2	Processes for engaging with consumers and end-users about impacts	D-75
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	D-76
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	D-76
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	D-77
ESRS G1 - Business conduct	G1-1	Business conduct policies and corporate culture	D-79

Data points derived from other EU legislation

The table below contains all the data points derived from other EU legislation, as outlined in Appendix B of ESRS 2. It indicates where these data points can be found in this Sustainability report. Data points that were not relevant for this Sustainability report are marked as "not material = NM" (IRO-2_01).

Disclosure requirement	Data point	Disclosure requirement	*1)	*2)	*3	*4)	Page
ESRS 2							
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		D-5
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		D-5

ESRS 2 – GENERAL DISCLOSURES

ESRS 2 GOV-4	30	Statement on due diligence	x				D-9
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		NM
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		NM
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		NM
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		NM
ESRS E1							
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	D-34
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		NM
ESRS E1-4	34	GHG emission reduction targets	x	x	x		D-35
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				D-35
ESRS E1-5	37	Energy consumption and mix	x				D-35
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				D-35
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		D-33
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		D-36
ESRS E1-7	56	GHG removals and carbon credits				x	NM
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		NM
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		x			NM
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			NM
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities			x		NM
ESRS E2							
ESRS E2 4		Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil	x				NM
ESRS E3							
ESRS E3-1	9	Water and marine resources	x				NM
ESRS E3-1	13	Dedicated policy	x				D-49
ESRS E3-1	14	Sustainable oceans and seas	x				NM
ESRS E3-4	28 (c)	Total water recycled and reused	x				NM
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				D-50
ESRS E4							
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				D-54
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				NM
ESRS E4-2	24 (d)	Policies to address deforestation	x				D-54
ESRS E5							
ESRS E5-5	37 (d)	Non-recycled waste	x				D-61
ESRS E5-5	39	Hazardous waste and radioactive waste	x				D-61
ESRS S1							
ESRS 2 - SBM 3 - S1	14 (f)	Risk of incidents of forced labour	x				D-64
ESRS 2 - SBM 3 - S1	14 (g)	Risk of incidents of child labour	x				D-64
ESRS S1-1	20	Human rights policy commitments	x				D-64

ESRS 2 – GENERAL DISCLOSURES

ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions			x		NM
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				NM
ESRS S1-1	23	Workplace accident prevention policy or management system	x				D-64
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				D-65
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents					D-68
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x		x		D-68
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x				NM
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x		x		NM
ESRS S1-17	103 (a)	Incidents of discrimination	x				D-68
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		NM
ESRS S2							
ESRS 2 - SBM 3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				D-70
ESRS S2-1	17	Human rights policy commitments					D-71
ESRS S2-1	18	Policies related to value chain workers	x				D-71
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		D-71
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		D-71
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				D-71
ESRS S3							
ESRS S3-1	16	Human rights policy commitments	x				NM
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		NM
ESRS S3-4	36	Human rights issues and incidents	x				NM
ESRS S4							
ESRS S4-1	16	Policies related to consumers and end-users	x				D-75
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x			NM
ESRS S4-4	35	Human rights issues and incidents	x				NM
ESRS G1							
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x				D-81
ESRS G1-1	§10 (d)	Protection of whistle- blowers	x				D-81
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		NM
ESRS G1-4	§24 (b)	Anti-corruption and anti-bribery standards" or "Anti-bribery and corruption (ABC) standards	x				NM

* 1) Reference to sustainability finance dislosure regulation
* 2) Pillar 3 reference
* 3) Benchmark Regulation reference
* 4) EU Climate Law reference

CLIMATE CHANGE

E1

3. CLIMATE CHANGE (ESRS E1)

ESRS topic	Impact/risk name	Value chain: Upstream	Value chain: Own workforce	Value chain: Downstream	Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment: <1 year	Time assessment: 1-5 years	Time assessment: 5-10 years
Climate change mitigation and adaptation	Purchase of materials and raw materials	x			Impact (N;a): The purchase of materials, raw materials, goods, and services for production constitutes the largest share of the Kofola Group's carbon footprint.	x	x	x
	Long-distance transport (import)	x			Impact (N;a): Long-distance transport of products, raw materials, and materials from countries outside Europe is associated with greenhouse gas emissions and increased fossil fuel consumption.	x	x	x
	Energy-intensive production		x		Impact (N;a): The production of some of our products is energy-intensive.	x	x	x
	Climate change	x	x		Risk: Physical risk of climate change, which can cause unusual weather fluctuations throughout the year (prolonged drought, hydrological drought, extreme temperatures, occurrences of tornadoes, hail), directly physically affecting production, plants, agricultural raw materials, yield, or even the entire crop.		x	x
	Legislative changes	x	x		Risk: Transition risk related to legislative changes, which may lead to higher prices for energy, fuels, vehicle fleets, gas, changes in suppliers, or the need for in-house electricity generation. High costs for new types of reporting, the need for new employees, consultants, auditors and high administrative demands.		x	x

The topics pertain to activities related to all parts of the Kofola Group's value chain: particularly agricultural activities, packaging production, beverage and other product manufacturing, and the associated administration, distribution of raw materials, materials and products, product sales and waste management. It concerns all companies within the Kofola Group, but are particularly significant for the manufacturing companies: Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o., Studenac d.o.o., LEROS, s.r.o., UGO trade s.r.o., F.H.Prager s.r.o., Pivovary CZ Group a.s., Premium Rosa Sp. z o.o.).

Extreme climate events, weather changes and record temperatures worldwide emphasize the urgent need for action to combat climate change. Therefore, the Kofola Group is committed to fully engaging in activities where it has identified a material impact on the environment. Specifically, three impacts in the value chain have been identified: (1) Purchase of materials and raw materials, (2) Long-distance transport – import, and (3) Energy-intensive production, which have a considerable negative impact on climate change and are largely associated with the generation of greenhouse gases.

The evaluated impacts and risks are material mainly for manufacturing plants and relate to these parts of the value chain: agricultural activities, packaging production, beverage and other product manufacturing and associated administration, distribution of raw materials, materials and products, product sales and waste management. The evaluated impacts do not directly result from the Kofola Group's strategy but are related to the business model, as activities across the value chain are geographically dispersed.

3. CLIMATE CHANGE (ESRS E1)

3.1. STRATEGY

3.1.1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

The resilience of the strategy and business model in relation to climate change was assessed in 2024. The resilience analysis includes two scenarios (RCP 2.6 and RCP 6.0). These scenarios consider physical climate-related risks (including climate hazards) and transitional risks (legislative) additionally assessed from the perspective of NZE and APS scenarios. Given the expected climate changes, the Kofola Group evaluated specific physical climate hazards that could threaten the operations of companies within the Kofola Group or disrupt the supply chain. Within the Kofola Group, impacts in the supply and customer chain, as well as business relationships, were considered. The climate risk resilience analysis focused primarily on manufacturing plants in the Beverage sector and the Beer and Cider sector, as these form the core of the business and the physical risks threatening production would have the most material financial impact on the Kofola Group. No material risks were excluded from the analysis. Individual risks were assessed and evaluated over three time horizons. Details are provided in the Resilience analysis table, along with the probability for the end of the 21st century, assessed according to the Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Short-term horizon (<1 year): Addresses immediate environmental dependencies, impacts and risks that require quick action. Potential environmental risks and impacts are reviewed in regular monthly sustainability team meetings with company management, and strategic evaluation of these topics is conducted. In some cases, risks are mitigated by short-term financial investments. These investments are included in annual planning, allowing for the implementation of necessary measures and monitoring their effectiveness.

Medium-term horizon (1 to 5 years): Strategically plans for environmental risks and opportunities that may arise in the near future. This approach supports medium-term planning and ensures a balance between immediate actions and long-term sustainability goals.

Long-term horizon (>5 years): Environmental risks and opportunities often manifest over a longer time frame. A long-term approach allows for the integration of these risks and opportunities into internal strategic planning, ensuring the resilience of assets and infrastructure. This approach is considered in accordance with the geographic areas in which the Kofola Group operates.

The International Energy Agency (IEA) in its World Energy Outlook presents three main scenarios for the development of the energy sector concerning climate goals by 2050. In assessing potential impacts on business strategy, two scenarios from the International Energy Agency were considered: the *Net Zero Emissions by 2050 Scenario* (NZE) and the *Announced Pledges Scenario (APS).*

Resilience Analysis			
Risks			
Physical	**Relevance to Kofola Group**	**Low Emission Scenario (RCP 2.6) + 1,5 °C**	**High Emission Scenarion (RCP 6.0) + 3-3,5 °C**
Climate change	Extreme climate events could expose operations to climate risks such as floods, extreme temperatures and hydrological drought (and phenomena described in the table above) Agriculture - Threat to the supply and quantity of some key raw materials	Extreme climate events will continue to exist but may be less frequent compared to higher-warming scenarios. Significant technological advancement in water management along with regulatory restrictions will contribute to efficient water use. Moderate changes in agricultural production, with the possibility of adapting to new conditions. HIGH FINANCIAL IMPACT WITH HIGH PROBABILITY	Increased temperatures and drought cause water stress, groundwater levels decrease, negatively affecting the ability to draw water from wells or the yields of strategic crops in the supply chain. At the same time, extreme weather-related incidents are becoming more frequent. Significant reduction in crop yields in sensitive regions, higher food prices, risk of food insecurity. MEDIUM FINANCIAL IMPACT WITH HIGH PROBABILITY

3. CLIMATE CHANGE (ESRS E1)

Transition	Relevance to Kofola Group	Net Zero Emissions by 2050 Scenario (NZE)	Announced Pledges Scenario, APS
New legislative requirements	The introduction of new regulatory requirements and the tightening of current ones could lead to increased costs, potentially affecting profitability.	(i) Reduce greenhouse gas emissions – by at least 50% by 2030, achieve net-zero emissions by 2050 through transitioning to low-emission technologies. (ii) Replace fossil fuels with renewable sources – use solar, wind, water energy and biomass. (iii) Increase energy efficiency – through equipment modernization, process optimization and digital solutions. (iv) Transition to low-emission transport – electrification, hydrogen, rail and water transport. (v) Comply with tightening regulations – including emission limits, carbon pricing and CO_2 measurement. HIGH FINANCIAL IMPACT WITH MEDIUM PROBABILITY	(i) Gradually reduce greenhouse gas emissions in line with announced climate commitments, with significant carbon footprint reduction expected by 2030 and continued decline toward carbon neutrality after 2050. This requires a partial transition to low-emission technologies, albeit at a slower pace than in the NZE scenario. (ii) Gradually replace fossil fuels with renewable energy sources, with a certain percentage of consumption potentially still covered by gas or low-carbon fuel as a transitional solution. (iii) Increase energy efficiency but with more flexibility in the timing and scope of modernization of production processes and equipment, depending on the availability of investment incentives and technological progress. (iv) Gradually introduce low-emission transport and logistics, with dependence on traditional fuels decreasing in line with market and regulatory conditions. (v) Meet tightening regulatory requirements, including carbon pricing and emission limits, but with the possibility of longer transitional periods and milder measures compared to the NZE scenario. MEDIUM FINANCIAL IMPACT WITH MEDIUM PROBABILITY

The main threats identified for transitional legislative risk under both scenarios (NZE and APS) include: (1) High investment costs for new technologies and infrastructure (NZE > APS) – In the event of needing to meet the goals set by NZE/APS scenarios, the Kofola Group may potentially need to allocate financial resources for investments in new technologies, infrastructure modernization and research and development of sustainable alternatives. This could include more efficient water management, transitioning to renewable energy sources, optimizing production processes and innovations in packaging and logistics. Ensuring resilience and sustainability of the supply chain will be crucial – the Kofola Group will need to work with suppliers to adapt to climate changes, diversify raw material sources, and promote sustainable agricultural practices. (2) Risk of not meeting emission limits leading to sanctions or operational restrictions (NZE > APS) – Pressure to set specific targets, transition plans, and implement clean technologies, monitoring and compliance with stricter regulatory requirements for emission reduction and sustainability. (3) Competitive pressure from companies that more quickly adopt clean technologies (NZE > APS) – Possible impact on reputation, increasing consumer awareness of climate change and sustainability creates pressure on companies to adopt responsible practices. The Kofola Group will need to continue transparently communicating its sustainability efforts and maintain its reputation as a responsible company. (4) Incompatibility of existing assets with decarbonization requirements (NZE = APS) – No assets have been identified as incompatible with the transition, but financial costs may be significant.

Given the high level of uncertainty among climate factors, monitoring the significance of risk categories is an ongoing process that considers changes in external conditions and scenario assumptions, especially in the long-term horizon. The Kofola Group will regularly (annually) review scenario analyses and climate risks and will reassess climate risks more frequently in the event of significant political and economic changes or substantial changes in climate factors. The Kofola Group's business model is based on multiple pillars, is not dependent on a single sector or industry and is geographically diversified. Therefore, the Kofola Group is prepared to flexibly respond to climate changes (in the short, medium and long term). A very good example is the floods in the Czech Republic in 2024, which temporarily completely halted operations at our Krnov production plants and other assets. Through crisis management of this situation, the Kofola Group was able to minimize impacts on its value chain.

Strategic planning: The Kofola Group will need to integrate climate risks and opportunities into its strategic planning. This includes setting emission reduction targets, designing a plan for potential solutions to transition to a low-carbon economy, and regularly evaluating and updating the strategy in response to changing conditions. It will be crucial to focus on decarbonization opportunities with gradual steps and actively monitor regulatory and technological developments.

3.2. IMPACTS, RISKS AND OPORTUNITIES MANAGEMENT

3.2.1 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-2)

Although the Kofola Group does not have formally established policies regarding climate change mitigation and adaptation, it is fully aware of its impacts and actively addresses them. The approach to climate change is based on the principles of responsible and sustainable business. However, climate change is a very broad topic, and in the future, the Kofola Group would like to make a commitment and support this stance with an official sustainability policy implemented across the entire Kofola Group. In some companies within the Kofola Group, international standards for environmental management systems are strictly adhered to, with RADENSKA d.o.o. being certified with ISO 14001:2024. The Kofola Group does not have a formalized transition plan for climate mitigation.

The transition plan is one of the areas that the Kofola Group wants to focus on within its future business strategy, although no precise timeline has been established.

3.2.2 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES (E1-3) AND TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1-4)

Kofola, as a group, is a continuously expanding entity of companies with activities in various sectors of the food industry, making the setting of binding carbon footprint reduction targets a complex process. Nevertheless, the Kofola Group continually strives to reduce the environmental impact of its production. Following a climate risk analysis (physical) for the Kofola Group, there is a potential risk of production disruption due to drought, which could affect manufacturing plants and agricultural locations in the future. Therefore, this issue is crucial for the Kofola Group, and it is committed to long-term water conservation and retention efforts in the landscape. The Kofola Group is equally dedicated to developing the concept of "green factories," obtaining bio-certification for areas around manufacturing plants and agricultural sites in the second protective zone of water around its wells. In collaboration with experts, the Kofola Group is also building water retention measures and wetlands in the Rajecká Valley area, which have a direct impact on climate improvement in the region. Currently, these measures are not precisely quantifiable and cannot be presented as formalized measures with specific targets. In the future, water-saving measures will also be implemented in manufacturing plants based on the results of water audits.

From an energy perspective, energy audits were conducted this year (2024) in Czechoslovak plants. Based on their evaluation, strategies will be developed to reduce the energy intensity of factories and administrative buildings. Additionally, selected plants will gradually implement measures (installation of alternative energy sources, building insulation, etc.).

Regarding the impact of long-distance transport on climate change, the key is maximizing the locality of suppliers. The Kofola Group prioritizes local suppliers over imports and long-term partnerships over one-time purchases. Locality is one of the established criteria that the Kofola Group monitors in its suppliers. Internally, the Kofola Group categorizes suppliers as follows:

1. local, who are located within 50 kilometers of the target plant;
2. domestic, who are located in the same country as the plant to which they supply raw materials;
3. neighboring, who are located in a neighboring country to the target plant;
4. european, who are located in a European Union country;
5. distant, who are from other countries or continents.

The Kofola Group is also actively involved in planting new trees in the Czech Republic, Slovakia and Slovenia, using the latest methods (such as using drones to plant seeds of local trees in hard-to-reach areas affected by forest fires).

The Kofola Group has not yet set specific and binding goals and measures in the area of climate change mitigation and adaptation due to the search for an optimal balance between economic costs and strategic needs, including considering new acquisitions and other factors that may affect the achievability of these goals.

3.3. METRICS AND TARGETS

3.3.1 ENERGY CONSUMPTION AND MIX (E1-5)

Energy consumption and mix	2024
1) Fuel consumption from coal and coal products (MWh)	18,572
2) Fuel consumption from crude oil and petroleum products (MWh)	382
3) Fuel consumption from natural gas (MWh)	6,567
4) Fuel consumption from other fossil sources (MWh)	789
5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	6,132
6) Total energy consumption from fossil sources (MWh) (calculated as the sum of rows 1 to 5)	**32,441**
Share of fossil sources in total energy consumption (%)	60
7) Consumption from nuclear sources (MWh)	**18,337**
Share of total energy consumption from nuclear sources in total energy consumption (%)	34
8) Consumption of fuels from renewable sources, including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.) (MWh)	-
9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	3,696
10) Consumption of self-generated non-fuel renewable energy (MWh)	-
11) Total energy consumption from renewable sources (MWh) (calculated as the sum of rows 8 to 10)	**3,696**
Share of renewable sources in total energy consumption (%)	7
12) Consumption from nuclear sources (MWh) (calculated as the sum of rows 6, 7 and 11)	**54,474**

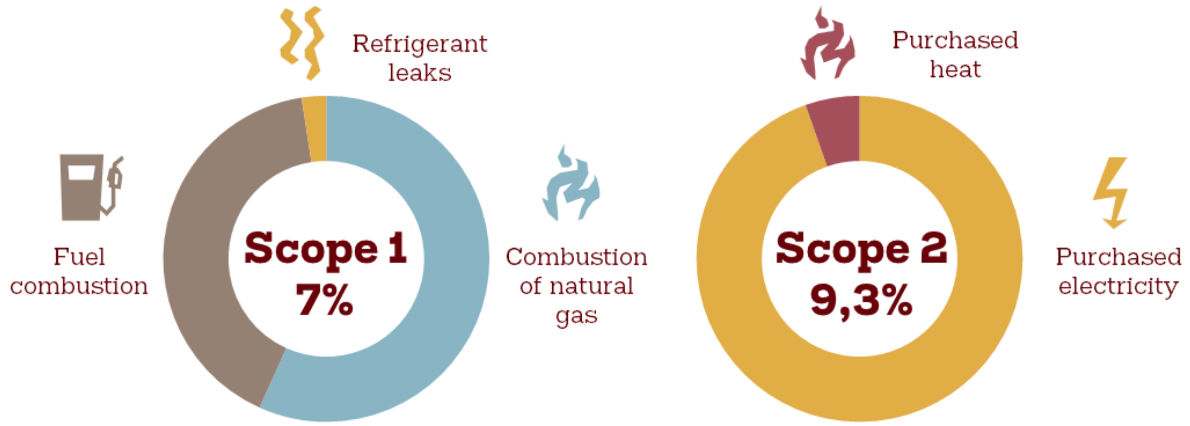
Energy intensity per net revenue	2024 (MWh/mil. CZK)

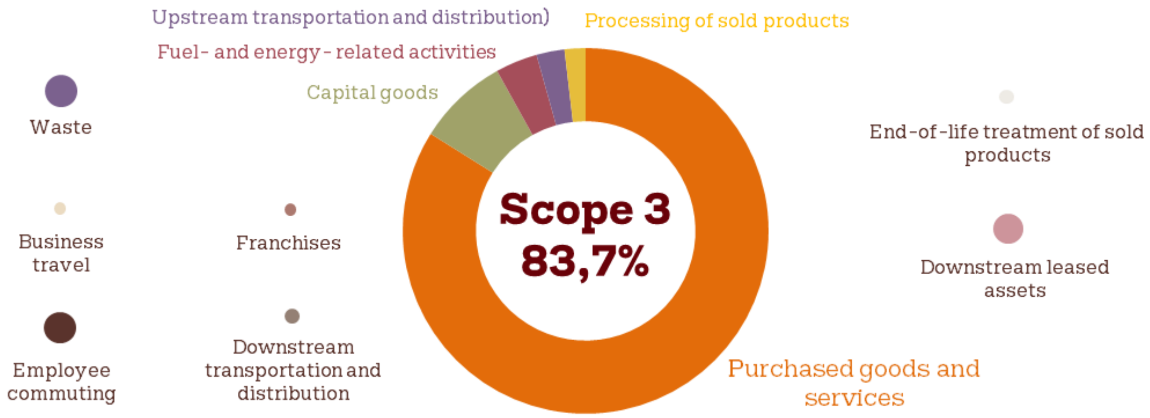
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	4.27

High climate impact sectors are those listed in sections A-H and section L of the NACE classification (as defined in Commission Delegated Regulation (EU) 2022/1288). Companies were selected based on the NACE classification of their predominant activities as follows: Kofola a.s. (CZ) – C; Kofola a.s. (SK) – C; Pivovary CZ Group a.s. – C; FONTÁNA PCZG s.r.o. – G; RADENSKA d.o.o. – C; Studenac d.o.o. – C; LEROS, s.r.o. – C; Premium Rosa Sp. z o.o. – C; SANTA-TRANS s.r.o. – H; FILIP REAL a.s. – L; Supplo s.r.o. – G; PRAGEROVY SADY LIBINA s.r.o. – A; F.H. Prager – C.

The amount of net revenue from activities in high climate impact sectors corresponds with the financial statements and is reported for all the companies listed above, except for FILIP REAL a.s. – a company leasing real estate (energy is managed by the tenant, and the exact consumption is unknown) and Supplo s.r.o. – whose energy is accounted for under Kofola a.s. (CZ).

3.3.2 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS (E1-6)





Methodology and approach to calculating the carbon footprint:

1. Objective of calculation:
   - The calculation focuses on the carbon footprint of the consolidated entity of the group led by Kofola ČeskoSlovensko a.s. (Kofola Group).
   - The calculation does not address the carbon footprint of individual companies within the Kofola Group, but only their contribution to the total carbon footprint.
2. Standards and calculation framework:
   - The calculation is based on GHG Protocol standards (Corporate Accounting and Reporting Standard and The Corporate Value Chain - Scope 3 Standard).
   - It includes Scope 1, Scope 2 and significant parts of Scope 3 emissions.
3. Calculation approach:

3. CLIMATE CHANGE (ESRS E1)

- A combination of a digital calculation tool and consultant estimation.
- Data was provided by the client and collected at the level of individual companies, but only for consolidation purposes.

4. Consolidation method:
   - The "Operational Control" method is used, which is most suitable for capturing relationships within the Kofola Group.
   - The carbon footprint is consolidated based on operational control, meaning only companies where the Kofola Group exercises control are included.
5. Inclusion of companies in the calculation:
   - Companies where the Kofola Group has operational control (e.g., a 51% share in Pivovary CZ Group a.s.) are included in the consolidated entity, and 100% of their carbon footprint is accounted for in the calculation.
   - Greenhouse gas emissions from MIXA VENDING s.r.o. were included in the calculation according to the scope of operational management (the Kofola Group owns a 49% share).
6. Exclusion of companies from the calculation:
   - Companies such as General Plastic, a.s., AGRITROPICAL S.A.S and Zahradní OLLA s.r.o. (since 2025 Tuselie s.r.o.) were not included in the consolidated entity for carbon footprint calculation as Investments (due to insignificance in terms of the entire Kofola Group), but their carbon footprint from purchased inputs was included in Scope 3.

This approach ensures that the carbon footprint is accurately quantified for the entire Kofola Group and minimizes the risk of double-counting emissions.

In calculating the carbon footprint, the digital tool from the company Impact Metrics was used. This tool was independently assessed by a third party, and the compliance of the calculation and data presentation with the Preferred by Nature Carbon Footprint Management Standard (V 2.0 - 2022), The GHG Protocol Corporate Accounting and Reporting Standard (Revised edition), and ISO 14064-1:2019 was independently verified in January 2024 by the organization Preferred by Nature, located at Skindergade 23,3, 1159 Copenhagen, Denmark.

The use of the digital tool was supplemented by a calculation performed by a consultant. The main focus of this activity fell on the calculation of the carbon footprint of areas 3.1 and 3.2. However, for the reasons stated above (verification of the tool), a manual calculation was also performed in the area of purchased electricity in the territories of Poland, Slovakia, Slovenia and Croatia.

The extent of the tool's application to the individual Scopes of the calculation is summarized in the table:

Scope	Processed in tool	Calculated in tool	Calculation outside tool
Scope 1	Fully	Complete carbon footprint (i.e., direct emissions from fuel combustion and other fuels, refrigerant leaks)	Data was collected by individual companies in physical units (MWh, l, kg). For the companies Pragerovy sady Libina and Filip Real, physical units were calculated from expenses. However, both companies play a completely marginal role within the Kofola Group.
Scope 2	Partially	Emissions footprint occurring in the Czech Republic	The emission footprint arising in Poland, Slovakia, Slovenia and Croatia was calculated outside the tool. Data was collected by individual companies in physical units (MWh, GJ). For the companies Pragerovy sady Libina and Filip Real, physical units were calculated from expenses. However, both companies play a completely

			marginal role within the Kofola Group.
Scope 3	Partially	Details in E1 BP-2 sources of uncertainties and measurements	No specific carbon footprint data from suppliers was available for Scope 3.
	Fully	3.4, 3.5, 3.6, 3.7, 3.9, 3.11, 3.12, 3.14	
	Partially	3.1, 3.2, 3.3	
	Completely outside	3.13	

With an exception of the above, no other data has been validated by a third party.

Emission factors and assumptions used by the tool (sources of uncertainty in estimates and results BP-2)

The sources of emission factors for the various items in the calculation come from the Intergovernmental Panel on Climate Change (IPCC, AR6 WGI Report), Department for Environment, Food and Rural Affairs (DEFRA, UK Government GHG Conversion Factors for Company Reporting), International Energy Agency (IEA), Nexus (ELCD database), EPD database (The International EPD System), peer-reviewed scientific articles and other official sources such as the Energy Regulatory Office (ERÚ), Ministry of the Environment of the Czech Republic (MŽP ČR) and EUROSTAT. Generic data is continuously updated.

The assumptions used for calculating emissions from energy use losses in central systems are based on ERÚ annual reports (electrical 4.8%, heating 14.4%, gas 1.6%). The standard tariff (emissions market) is based on the residual mix of the Czech Republic (data source AIB). District heating consumption assumes an average fuel mix for heat production in the Czech Republic (39% lignite, 19% natural gas, 8% hard coal, 15% biomass, 18% others), unless specified by the supplier. In such cases, the emissions from thermal energy market and location are equal. Emissions from heat originating from a company's own source are calculated based on fuel consumption.

For calculating direct emissions, fuel combustion in stationary sources and data regarding the operation of vehicles (owned or operated by the company) are included. For refrigerants, the process of leaks is accounted for in emissions; the production of refrigerants is not included. The calculation allows the input of leakage amounts for the most commonly used refrigerants. For other direct greenhouse gas emissions (technological emissions), the tool allows input of the most important and frequently produced greenhouse gases (in the case of Kofola Group 2024, no technological emissions were identified).

For calculation of Scope 3.1 Purchased Goods and Services:
More than 90% of purchases were processed. For the remaining unprocessed items, an estimate was made through extrapolation based on their financial value. The carbon footprint calculation was performed at the item level (i.e. for each purchased item), primarily using emission factors based on weight. Certain categories, particularly related to POP (point-of-purchase)/POS (point-of-sale) purchases,were calculated using spend-based emission factors due to the nature of the items or a lack of data (e.g. missing weight information).

For purchased materials, the calculation tool differentiates between primary and secondary materials. A material or product is considered recycled if it is composed of at least 80% recycled content. In cases where the recycled content was known (e.g. preforms), the weight of inputs was proportionally allocated between primary and secondary material.

For calculation of Scope 3.2 Capital Goods:
More than 97% of capital expenditure was processed. For unprocessed items, an estimate was made through extrapolation based on their financial value. The carbon footprint calculation involved assessing the nature of the purchased items (i.e. at the level of individual items), which were categorized according to the structure outlined below. Given the nature of the purchased goods, spend-based emission factors were predominantly used for the carbon footprint calculation.

For calculation of Scope 3.5 Produced waste:

3. CLIMATE CHANGE (ESRS E1)

For produced waste, it is assumed that the amount not handed over for further use (recycling, energy recovery) is sent to landfill. The landfill share is based on specific data from the Kofola Group. According to the GHG Protocol, emissions from recycling and energy recovery of waste are allocated to the company that purchases the recycled material or produced energy, and for Scope 3.5, they are therefore zero in accounting terms. Hazardous waste is assumed to be fully processed, and emissions from it are zero in Scope 3. Emissions related to waste transport are not considered (transport is considered in the transportation category).

For calculation of Scope 3.7 Employee Commuting to work:
Emissions from employee commuting were extrapolated from a representative sample to cover the entire workforce. Journeys using company vehicles are excluded, as the fuel is purchased by the company and, given their low materiality and the practical challenges in data collection and verification, the related emissions are accounted for under Scope 1 (fuel consumption).

For calculation of Scope 3.9 Transportation and Distribution:
Transportation is categorized as upstream or downstream based on who procures the service. For the reporting company, all transportation to and from its facilities managed by a supplier or third party falls under the upstream value chain. Downstream transportation refers to logistics arranged by the customer.

For calculation of Scope 3.11 Use of Sold Products:
Emissions related to the use of sold products include electricity used for cooling and dispensing draft beverages. It is assumed that all products are placed on the Czech market, and the residual energy mix for the Czech Republic was used for the calculation. The best available estimate for the energy intensity of beverage dispensing was based on a survey conducted by Plzeňský Prazdroj, which measured energy consumption in over 50 hospitality venues in the Czech Republic and Slovakia. The average energy consumption for cooling and dispensing one hectoliter of beer is 13.93 kWh, with cooling accounting for 92% of that. The same technologies are used for dispensing Kofola.

For calculation of Scope 3.12 End-of-Life Treatment of Sold Products:
Emissions are partially accounted for based on the share of landfilling at the end of product life. If products are recycled or used for energy recovery, the related emissions are not reported in this category, following the same rationale as for Waste Generated in Operations. The latest available data from Eko-kom (2023) was used to estimate the landfill share, weighted by the mass of expected waste components at the consumer level. The calculation assumes this is non-hazardous residual waste.

For calculation of Scope 3.13 Downstream Leased Assets:
The Kofola Group leases or loans tens of thousands of appliances to its customers (mainly HORECA establishments), 95% of which are draft beverage dispensers, refrigerators, and similar devices.
Emissions from the use of draft beverage dispensers are not included here, as they are already accounted for under Scope 3.11, and including them again would lead to double counting.
To estimate the emissions from refrigerators, data from the European Commission on refrigerator ecodesign was used. According to this source, the average annual energy consumption of a typical EU refrigerator is 181 kWh. This value is considered suitable for our estimate, supported by comparisons with current energy labels. The same figure is used for refrigerators, coolers, and vending machines (where cooling is the primary energy-consuming function).
We do not have data for the remaining 5% of leased devices, so their emissions are estimated through extrapolation.
An exception in this category is a leased hotel in Zbraslav. We do not have reliable data from the lessee and cannot make a reasonable estimate of its associated emissions. Given the hotel's small size (15 rooms), it is not expected to have a material impact at the group level.

For calculation of Scope 3.14 Franchises:
Energy consumption in franchised outlets was modeled by UGO trade company, based on data collected from its own locations. The estimate includes electricity consumption (assuming a standard tariff), natural gas consumption, heat consumption, and potable water use.

Scope 1 GHG emissions	
	2024
Scope 1 GHG emissions	
GHG emissions (t CO2eq)	21,331

3. CLIMATE CHANGE (ESRS E1)

Percentage of Scope 1 GHG emissions from regulated emissions trading systems (%)	N/A
Scope 2 GHG emissions	
Gross GHG emissions - location-based (t CO2eq)	20,934
Gross GHG emissions - market-based (t CO2eq)	28,406
Scope 3 Significant GHG emissions	
Gross indirect GHG emissions (t CO2eq)	255,524
Purchased goods and services	206,916
Capital goods	19,805
Fuel- and energy-related activities (not included in Scope 1 or 2)	9,202
Upstream transportation and distribution	6,039
Waste generated in operations	2,021
Business traveling	172
Employee commuting	2,116
Upstream leased assets	N/A
Downstream transportation	933
Processing of sold products	N/A
Use of sold products	4,656
End-of-life treatment of sold products	833
Downstream leased assets	2,260
Franchises	571
Investments	N/A
Total GHG emissions (t CO2eq)	
Total GHG emissions - location-based (t CO2eq)	297,790
Total GHG emissions - market-based (t CO2eq)	305,261

For Scope 1 and Scope 2 emissions, the company has published information for the consolidated accounting group, which includes the holding company and its subsidiaries. Investments were not included in the calculation under Scope 3 – Investments, as their contribution is considered immaterial.

Greenhouse gas overview			
		Mass [t]	**Equivalent CO2 [t CO2e]**
CO2	Carbon Dioxide	302,335	302,335
CH4	Methane	43	1,283
N2O	Nitrous Oxide	4	1,120
HFC	Hydrofluorocarbons	-	524
PFC	Perfluorocarbons	-	0.1
SF6	Sulfur Hexafluoride	0.1	0.1
NF3	Nitrogen Trifluoride	-	-
Total greenhouse gases			**305,261**

Note: A value of 0.1 indicates that emissions of the gas occurred, but the volume is < 0.1 t.

The source for the global warming potential values is GWP100-AR6 (IPCC, AR6 WGI Report), which are 29.8 for CH4, 273 for N2O, various for HFC and PFC depending on the specific gas, 25,200 for SF6 and 17,400 for NF3.

Biogenic emissions include emissions from the combustion of biogenic materials derived from sustainable sources. These emissions are reported separately from the total emissions balance. The total biogenic emissions within Scope 1 and 2 for the year 2024 are presented in the table below.

Biogenic emissions	
	Equivalent CO2 [t CO2e]
Direct biogenic emissions CO2	541
Indirect biogenic emissions CO2	1,958
Total	**2,499**

GHG intensity based per net revenue	
	2024
Total GHG emissions (location-based) per net revenue (t CO2eq)	26.9
Total GHG emissions (market-based) per net revenue (t CO2eq)	27.6

3. CLIMATE CHANGE (ESRS E1)

The net revenue for calculating the GHG intensity corresponds with the net revenue stated in the Annual report (section B – 2.1).

4. EU TAXONOMY

The Kofola Group reports key indicators of the EU Taxonomy in accordance with Regulation (EU) 2020/852 of the European Parliament and Council, along with additional delegated regulations that complement or amend it. For the year 2024, the Kofola Group reports a total of four eligible activities within the Climate change mitigation objective. Specifically, these activities are CCM 5.1 Construction, extension and operation of systems for water collection, treatment and supply systems; CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles; CCM 6.6 Freight transport services by road; and CCM 7.7 Acquisition and ownership of buildings. The same eligible activities are also reported for the year 2023. No eligible economic activities were identified for other objectives in 2024.

Eligibility assessment

According to the NACE classification, the main activities of the largest companies within the Kofola Group (Kofola a.s. (CZ), Kofola a.s. (SK), RADENSKA d.o.o., Studenac d.o.o., Pivovary CZ Group a.s. and F.H.Prager s.r.o.) are categorized under "Manufacture of soft drinks; production of mineral waters and other bottled waters" (11.07) and "Manufacture of beer" (11.05). These economic activities are not included in the EU Taxonomy and, therefore, are not defined as eligible. The manufacture and sale of alcoholic and non-alcoholic beverages account for 88% of the Kofola Group's turnover. The remaining part of the turnover comes from the production and sale of freshly squeezed fruit and vegetable juices, packaged salads and other ready meals (UGO trade s.r.o., NACE code 56.10 "Restaurants and mobile food service activities"), production of herbal teas (LEROS, s.r.o., NACE code 10.83 "Processing of tea and coffee"), production of syrups (Premium Rosa Sp. z o.o., NACE code 10.89 "Manufacture of other food products n.e.c.") and other activities that also do not fall into eligible economic activities according to the EU Taxonomy. Detailed turnover information is provided in the Annual report in section B – 4.1.

As part of the eligibility assessment process for 2024, all NACE codes listed for activities in the EU Taxonomy were considered and then compared with the NACE codes recorded within the Kofola Group. Subsequently, individual components of the Kofola Group were analyzed. Annual reports, websites and other relevant documentation were used to assess the activities of individual companies. At this stage, the description of activities included in the EU Taxonomy was evaluated, taking into account interpretations of these descriptions from official sources (e.g., FAQ). Based on these interpretations, four eligible activities were identified under the Climate Change Mitigation goals:

- CCM 5.1: Construction, extension and operation of water collection, treatment and supply systems – The Kofola Group operates a system for the collection and treatment of drinking water.

- CCM 6.5: Transport by motorbikes, passenger cars and light commercial vehicles – The Kofola Group purchases and operates passenger cars for its own use.

- CCM 6.6: Freight transport services by road – The Kofola Group purchases trucks for the purpose of operating freight transport within the transportation of products (particularly within the Kofola Group).

- CCM 7.7: Acquisition and ownership of buildings – The Kofola Group exercises ownership rights in its buildings.

As part of the eligibility assessment, the Kofola Group also focused on evaluating the remaining environmental objectives, within which no activity was identified as eligible.

In 2023, the activities were assessed solely using NACE codes, based on which only Freight transport services by road was evaluated as eligible. When assessing eligibility for 2024, in light of the new interpretation of activities, three additional eligible areas were identified. Consequently, the comparative data for 2023 were corrected and supplemented within the reported values for turnover, CAPEX and OPEX (in the columns for 2023).

Compliance assessment

The assessment of criteria related to significant contribution, the "Do no significant harm" principle, and minimum safeguards, necessary for evaluating compliance with the taxonomy, requires a detailed analysis and the availability of a wide range of data, which the Kofola Group was unable to obtain in 2024. Consequently, the Kofola Group reports a zero level of compliance with the EU Taxonomy in terms of turnover, CAPEX and OPEX. The Kofola Group will focus on compliance assessment with the EU Taxonomy in the following years.

The Kofola Group conducted an assessment of Minimum Safeguards at the level of the entire Kofola Group. Internal policies and regulations of the Kofola Group were compared with the requirements of international conventions such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. The Kofola Group is not in compliance with the Minimum Safeguards requirements. The reason is the absence of an established due diligence policy for checking all suppliers for compliance with human rights and potential other impacts. This issue is currently only addressed for some major suppliers.

Turnover

The Kofola Group reports four economic activities within the Climate Change Mitigation goals. The overall eligibility within turnover was calculated at 0.19%. Based on the assessment of our capital expenditures (CAPEX), eligibility was calculated at 44.50%, which corresponds to 1,209 CZK. For operating expenses (OPEX), 40.31% is eligible, amounting to 108.6 CZK.

The turnover ratio includes the portion of net turnover from products or services related to economic activities in compliance with the taxonomy compared to the net turnover from the consolidated profit and loss statement of the Kofola Group. Information on the amount of turnover is included in the Annual report in section B – 4.1. Within categories CCM 5.1 and 6.5, the Kofola Group does not generate any revenue. The turnover ratio related to category CCM 6.6 is calculated as the external turnover of SANTA-TRANS s.r.o. relative to the total turnover of the Kofola Group. The amounts reported under CCM 7.7 result from the rental of property owned by FILIP REAL a.s., located in Prague, where the tenant operates hotel services.

The Kofola Group applied the same procedure for calculating data for the years 2024 and 2023.

CAPEX

The CAPEX metric includes additions to intangible assets and property, plant and equipment, including additions to rights of use. The amounts reported under CCM 5.1 represent additions to property, plant and equipment associated with water and wastewater treatment. CAPEX under CCM 6.5 and 6.6 represents acquisitions of assets together with additions to rights of use (company cars, light utility vehicles and trucks). In category CCM 6.5, the asset additions of all companies within the Kofola Group are reported, except for SANTA-TRANS s.r.o., where the additions of trucks are reported separately in category CCM 6.6 to avoid double counting. In category CCM 7.7, additions to buildings (including rights of use) are reported. The non-eligible part of our CAPEX is associated with the purchase (including rights of use) of machinery and equipment related to production, as well as expenses related to administration. An overview of the movements in fixed tangible assets is part of the Annual report, section B – 4.10.

OPEX

OPEX includes only direct non-capitalized costs related to research and development, repairs and maintenance and short-term leases. Within CCM 5.1, OPEX includes direct non-capitalized costs related to the operation, maintenance and expansion of water collection, treatment and distribution systems. Within CCM 6.5, the Kofola Group allocated the costs of repairs and maintenance for the vehicle fleet and within CCM 6.6, the costs for repairs and maintenance of trucks for SANTA-TRANS s.r.o. (these costs are not included in CCM 6.5 to avoid double counting). CCM 7.7 relates to short-term building leases and costs for repairs and maintenance of buildings.
The Kofola Group applied the same procedure for calculating data for the years 2024 and 2023.

4. EU TAXONOMY

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024																			
Financial year 2024	**2024**			**Substantial contribution criteria**						**DNSH criterial (‚Does Not Significantly Harm')**									
Economic Activities	**Code**	**Turnover**	**Proportion of turnover**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023**	**Category enabling aktivity**	**Category transitional activity**
		Thousand Czech crowns	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.00%**																
Of which enabling		**0**	**0.00%**																
Of which transitional		**0**	**0.00%**																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Freight road transport	CCM 6.6.	18,363	**0.17%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0.20%		
Acquisition and ownership of buildings	CCM 7.7.	2,450	**0.02%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0.00%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		20,813	**0.19%**	**0.19%**	**0.19%**	0%	0%	0%	0%								0.20%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		20,813	**0.19%**	**0.19%**	**0.19%**	0%	0%	0%	0%								0.20%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		11,061,140	**99.81%**																
TOTAL		11,081,953	**100%**																

4. EU TAXONOMY

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criterial (‚Does Not Significantly Harm')									
Economic Activities	**Code**	**Turnover**	**Proportion of turnover**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023**	**Category enabling aktivity**	**Category transitional activity**
		Thousand Czech crowns	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
"CapEx of environmentally sustainable activities (Taxonomy-aligned)		0	**0.00%**																
(A.1)"		**0**	**0.00%**																
Of which enabling		**0**	**0.00%**																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Construction, expansion and operation of water collection, treatment and supply systems	CCM 5.1.	11,978	**0.44%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								4.38%		
Transport by motorcycles, personal vehicles and light commercial vehicles	CCM 6.5.	292,199	**10.75%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								3.93%		
Freight road transport	CCM 6.6.	37,802	**1.39%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								5.18%		
Acquisition and ownership of buildings	CCM 7.7.	867,252	**31.92%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								14.44%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,209,231	**44.50 %**	**44.50 %**	**44.50 %**	0%	0%	0%	0%								27.94%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		1,209,231	**44.50 %**	**44.50 %**	**44.50 %**	0%	0%	0%	0%								27.94%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1,507,892	**55.50 %**																
TOTAL		2,717,123	**100%**																

4. EU TAXONOMY

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024																			
Financial year 2024	2024			Substantial contribution criteria						DNSH criterial (‚Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling aktivity	Category transitional activity
		Thousand Czech crowns	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
"OpEx of environmentally sustainable activities (Taxonomy-aligned)		**0**	**0%**																
(A.1)"		**0**	**0%**																
Of which enabling		**0**	**0%**																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Construction, expansion and operation of water collection, treatment and supply systems	CCM 5.1.	12,300	**4.56%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								8.35%		
Transport by motorcycles, personal vehicles and light commercial vehicles	CCM 6.5.	34,099	**12.65%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								9.64%		
Freight road transport	CCM 6.6.	14,265	**5.29%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								7.02%		
Acquisition and ownership of buildings	CCM 7.7.	47,979	**17.80%**	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								15.59%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		108,644	**40.31%**	40.31 %	40.31 %												40.60%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		108,644	**40.31%**	40.31 %	40.31 %												40.60%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		160,906	**59.69%**																
TOTAL		269,549	**100%**																

4. EU TAXONOMY

Nuclear and fossil gas related activities		
Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

WATER AND MARINE RESOURCES

E3

5. WATER AND MARINE RESOURCES (ESRS E3)

Water is a key element of the Kofola Group's business—it is a fundamental ingredient in products and a necessary resource for growing raw materials. The Kofola Group also recognizes that its availability and quality are increasingly threatened by climate change, pollution and the growing demands of the Kofola Group. Therefore, responsible water management is considered a priority by the Kofola Group—both in production processes and in the protection of water ecosystems in the regions where it operates.

The Kofola Group's approach focuses on efficient water use, reducing consumption, minimizing the impact of its operations on water resources, and supporting measures for water protection and retention. The Kofola Group believes that a sustainable approach to water not only contributes to the protection of nature but also to the long-term stability of its business.

ESRS topic	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own workforce	Downstream		<1 year	1-5 years	5-10 years
Water	Water consumption – excessive/inefficient use of water		x		Impact (N;p): Excessive or inefficient use of water for product manufacturing can negatively affect the availability of this resource in the area.		x	x
	Water withdrawals – excessive water extraction		x		Impact (N;p): Excessive extraction of water from Kofola Group wells and springs can potentially negatively impact water availability in the area.	x	x	x

The topics concern activities related to the Kofola Group's own operations. They concern all companies in the Kofola Group, and are particularly important for manufacturing companies in the beverage sector and the Beer and Cider sector: Kofola a.s. (CZ); Společnost Kofola a.s. (SK); RADENSKÁ d.o.o., Studenac d.o.o., F.H.Prager sro, Pivovary CZ Group a.s.

5.1. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

5.1.1 POLICIES RELATED TO WATER AND MARINE RESOURCES (E3-1)

The Kofola Group has not required a formally established group policy for water management because responsible handling of water resources has always been an inherent part of its business approach. Water consumption in the Beverage sector and the Beer and Cider sector is continuously monitored and optimized within production processes, without the need to formalize this approach into a specific document.

However, the Kofola Group's activities in water management are governed by stringent legislative requirements of the individual countries where it operates. The rules for handling water resources are set by local and state authorities, ministries, or other specialized institutions. These rules cover, among other things, the limits and methods of water extraction, conditions for using water resources and protective measures.

In all countries where the Kofola Group operates, it complies with legislative requirements on water quality set by local regulatory bodies and food standards. The Kofola Group adheres to applicable standards for food production, which determine the microbiological and chemical quality parameters of water, ensuring that it meets all hygiene and safety requirements.

Regulations can vary not only between countries but also within regions, depending on the type of water being extracted, the depth of the well, the volume of extraction and the specific conditions of the location. In food production, the Kofola Group also adheres to hygiene and safety standards set by The European Food Safety Authority (EFSA) and the legal regulations of the EU and national legislations.

5.2. METRICS AND TARGETS

5.2.1 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES (E3-2) AND TARGETS RELATED TO WATER AND MARINE RESOURCES (E3-3)

Although the Kofola Group has not yet adopted formally defined measures and goals regarding water management, responsible handling of this resource has long been an integral part of its operational processes. The Kofola Group regularly monitors water consumption in production and seeks opportunities for optimization. However, these activities have not yet been carried out within a centralized program that would allow systematic reporting.

Specific goals and measures have not been established so far because the Kofola Group has focused on continuous improvement in individual plants based on their specific needs. However, the Kofola Group aims to formalize its approach to water management and, therefore, plans to conduct water audits in selected production plants in 2025. These audits will help identify areas where water management can be improved and consumption reduced. Based on the results of these audits, the Kofola Group commits to setting specific policies, goals, and measures to manage water use more effectively.

Moreover, water quality is extremely important for the Kofola Group, as it directly affects the safety and taste of its products as well as the efficiency of production processes. To ensure a high standard of water quality, the Kofola Group regularly conducts water testing, both internally within its operations and externally through independent accredited laboratories.

In addition to water quality control, the Kofola Group focuses on the preventive protection of its water resources. Protective zones around water sources, which define management practices, are a standard measure. In some areas, the Kofola Group goes even further by actively collaborating with farmers and forest managers to minimize pollution risks. Together with them, the Kofola Group addresses the limitation of substances that could threaten water quality and supports more sustainable management practices in the surrounding areas through education and communication.

5.2.2 WATER CONSUMPTION (E3-4)

The Kofola Group primarily uses water in the Beverage sector and the Beer and Cider sector, which together account for more than 98% of its annual water consumption. In the production facilities of these companies, the Kofola Group monitors water consumption through direct real-time measurement using ERP systems, allowing for efficient management and optimization of water resource use. The data presented in this Sustainability report are thus primarily derived from ERP systems and the internal reports linked to them. This provides an accurate and up-to-date overview of water consumption across operations.

The remaining less than 2% of water consumption is attributed to administrative operations and companies within the Kofola Group that are not involved in the production of non-alcoholic beverages or beer and ciders, such as logistics, distribution, or other support activities. Data from these companies were obtained from sources such as annual billing or were provided by building operators where the companies are tenants.

Water consumption		
		2024
Total water consumption	m^3	2,648,478
Total water consumption in water-stressed areas*	m^3	-
Total volume of water recycled and reused**	m^3	-
Total water reserves***	m^3	-
Changes in water reserves***	m^3	-

5. WATER AND MARINE RESOURCES (ESRS E3)

Water intensity (total water consumption in m^3 per net revenue on own operations)	6,005

* None of the Kofola Group companies operate in water-stressed areas.
** None of the Kofola Group companies recycle water.
*** None of the Kofola Group companies maintain water reserves.

BIODIVERSITY AND ECOSYSTEMS

E4

6. BIODIVERSITY AND ECOSYSTEMS (ESRS E4)

In recent years, the impacts on biodiversity and the decline of nature have become more noticeable and widely discussed. The main factor contributing to these impacts is land use changes, including those related to agriculture. Therefore, the Kofola Group is committed to contributing to the reduction of these impacts within its value chain. A DMA assessment identified two material negative impacts in the Kofola Group's value chain related to biodiversity and ecosystems, as outlined below. The following section provides a more detailed description of these impacts, analyzes the assessments conducted for a better understanding of their relationship to the Kofola Group's business, and presents measures that have been implemented to mitigate them.

ESRS topics	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own operations	Downstream		<1 year	1-5 years	5-10 years
Direct impact drivers of biodiversity loss	Intensive agricultural activities	x			Impact (N;a): Agricultural activities and crop cultivation in areas where there is a risk of impact on biodiversity can result in the potential loss of communities (e.g., pollinators) and related soil erosion (leaching of the nutrient-rich top layer - eutrophication of waters) and potential deforestation.	x	x	x
	Soil pollution	x			Impact (N;a): Soil pollution due to agricultural activities related to the use of fertilizers and pesticides can significantly affect biodiversity and ecosystem balance.	x	x	x

The topics relate to activities associated with the supply chain of the Kofola Group, which supplies raw materials for production and concerns the following companies within the Kofola Group: Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o., Studenac d.o.o., LEROS, s.r.o., UGO trade s.r.o., F.H.Prager s.r.o., Pivovary CZ Group a.s., Premium Rosa Sp. z o.o.; AGRITROPICAL S.A.S.

6.1. STRATEGY

6.1.1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

From the analysis of the areas affected by operational activities, two locations were identified that could potentially impact biodiversity: (1) the Karlovarská Korunní mineral water bottling plant of Kofola a.s. (CZ) in Stráž nad Ohří (Czech Republic), which is situated in the Hradiště site of european importance and the Doupovské hory Bird area; and (2) the LEROS, s.r.o. plant for processing herbs into teas and cosmetics in Strážnice (Czech Republic), which is close to the Bzenecké Doubrava - Strážnické Pomoraví Bird area and near The White Carpathians Protected Landscape Area.

The most significant factors negatively affecting the bird area (1) are associated with forestry and the use of biocides. Neither of these factors is related to Kofola Group's activities in the given area, and area (2) does not impact the selected protected area with its activities. For these reasons, the impact on biodiversity at the Kofola Group's own operations, in terms of the location of production sites in these areas, is currently not material. The Kofola Group does not have operations that affect threatened species.

In the coming years, the Kofola Group aims to deepen its understanding of nature-related risks and opportunities, their potential impacts, and incorporate more comprehensive data. The goal is to refine assumptions and explore ways to consider and mitigate systemic risks to biodiversity and ecosystems in the supply chain. Detailed supply chain analyses and consultations with affected communities have not yet been conducted, nor have specific locations and biodiversity-sensitive areas related to intensive agriculture impacts been identified.

Through its involvement in internal and external sustainable projects and stakeholder engagement in materiality assessments, including non-governmental organizations (e.g., Kvapka Rajeckej doliny n.o.) and municipalities around its operations, the Kofola Group gains important insights into potential positive and negative impacts on the landscape. It also collaborates on preventive measures to avoid negative impacts. In this context, negative impacts are related to global developments in biodiversity and climate, not directly to the business activities of the Kofola Group. The Kofola Group actively supports activities related to promoting biodiversity, such as water retention, creation and regeneration of wetlands, tree planting, and supporting pollinator communities.

6.1.2 TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL (E4-1)

Resilience analysis

Although a complete analysis of resilience to natural influences has not yet been conducted, the DMA methodology considered financial risks related to biodiversity and ecosystems, drawing inputs from various stakeholders as well as recent global research findings and climate projections. The DMA methodology, along with our assessment of natural influences, demonstrated that there are material impacts related to biodiversity through our supply chain (see ESRS 2: SBM-3), while financial risks associated with biodiversity and ecosystems were evaluated as immaterial.

6.2. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

6.2.1 POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS (E4-2)

The Kofola Group has a general approach to protecting natural ecosystems, which is based on the principles of sustainable business and supporting the locations where it operates. However, group policies are not uniformly established due to differing legislative settings in the various countries of operation. Although the Kofola Group does not have formally established policies related to biodiversity and ecosystems, land/agriculture, deforestation as per the requirements of the ESRS standard, it is fully aware of its impacts and actively addresses them.

6.2.2 ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS (E4-3) AND TARGETS RELATED TO BIODERVISRY AND ECOSYSTEMS (E4-4)

The Kofola Group monitors compliance with local regulations and other measures to prevent negative impacts on nature as much as possible. While there are currently no specific formally established measures, measurable goals, or strategies that meet the ESRS standards applicable to the entire Kofola Group due to its decentralized policy, measures are gradually being implemented to protect biodiversity. These measures are largely part of a long-term internal strategy called Mission and Vision. This internal strategy includes sections on Sustainability and Support for Locations and Agriculture, aiming to support the areas where the Kofola Group operates not only financially and through products but also to ensure that the landscape is in better condition in the future.

The Kofola Group collaborates with local farmers, as high-quality raw materials are behind every product. The Kofola Group aims to understand the entire life journey of its ingredients, from seed to product, to ensure that only the best is used. Kofola has embarked on a new adventure by growing its own herbs, apples and coffee. The Kofola Group is revitalizing herb purchasing stations and pursuing organic certification for areas where herbs are cultivated. Simultaneously, the Kofola Group is increasingly focusing on analyzing the impacts of its supply chain. It gradually introduces standards for sustainable supplier activities and sustainable land management (e.g., Rainforest Alliance for coffee, organic certification for herbs). The Kofola Group also plans to amend supplier contracts to require suppliers to provide traceability information and confirm their commitment to responsible sourcing and the origin of raw materials.

6. BIODIVERSITY AND ECOSYSTEMS (ESRS E4)

6.3. METRICS AND TARGETS

6.3.1 IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE (E4-5)

The Kofola Group has not identified any material impacts related to its own value chain, nor is it aware of contributing to changes in land use and/or freshwater use. Potential impacts have been identified in the value chain, where their influence cannot be quantified at the moment. Additionally, the Kofola Group is not aware of any processes directly related to the introduction or planting of invasive non-native species.

RESOURCE USE AND CIRCULAR ECONOMY

E5

7. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

Packaging is an essential part of the Kofola Group's business—it protects products and influences consumer decisions. The Kofola Group recognizes that packaging is associated with many environmental impacts throughout its life cycle. Excessive use of materials or poor recyclability increases environmental impact. Landfilling of packaging, low recycling rates, and the presence of microplastics in water and soil ecosystems are key issues that need to be addressed.

A circular economy offers a way to minimize these impacts. A crucial step is to consider recyclability and the potential for closing the material loop right from the packaging design phase. This approach not only contributes to the conservation of natural resources but also presents economic opportunities associated with efficient material use.

ESRS topic	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own operations	Downstream		<1 year	1-5 years	5-10 years
Resource outflows related to products and services	*Packaging - littering*			x	Impact (N;a): Packaging – littering is a negative environmental impact associated with the end-of-life of our products.	x	x	x
	Packaging - contamination			x	Impact (N;p): Chemical contamination of soil/water with microplastics is a potential impact that can arise from improper processing/poor waste management.		x	x
	Packaging - landfiling			x	Impact (N;a): Landfilling is one form of waste disposal in regions where the Kofola Group sells its products. Waste disposal through landfilling is associated with several environmental impacts.	x	x	x
Waste	*Waste - low recycling rate*		x		Impact (N;a): A low recycling rate of waste leads to excessive landfilling, and at the same time, the low recyclability rate of packaging leads to the overuse of primary raw materials.	x	x	x
	Waste - landfilling		x		**Impact (N;a):** Waste disposal through landfilling is associated with several environmental impacts.	x	x	x

The topics concern activities related to the company's own operations and the associated value chain. They concern all companies in the Kofola Group, and are particularly important for the production companies: Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o., Studenac d.o.o., LEROS, s.r.o., UGO trade s.r.o., F.H.Prager s.r.o., Pivovary CZ Group a.s., Premium Rosa Sp. z o.o., PRAGEROVY SADY LIBINA s.r.o.

7. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

7.1. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

7.1.1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-1)

The Kofola Group does not have formally established policies for a circular economy because the principles of responsible resource management have long been a part of its operational and strategic decisions. Kofola Group systematically works with packaging and waste within its processes and procedures, without feeling the need to formalize these principles into a separate policy. Their approach to this area is driven not only by the effort to minimize negative impacts but also by efficient and sustainable resource management. More detailed information about their approach is provided later in this chapter.

7.1.2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-2) AND TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY (E5-3)

The Kofola Group does not have formally established goals or measures for a circular economy because its long-term approach has made explicit definitions unnecessary. The company adheres to the principles of circular economy and efficient resource management, which allows it to systematically minimize the negative impacts associated with packaging and waste.

The Kofola Group addresses packaging primarily in the Beverage sector, where these impacts are most significant. It has long followed the principles of reduce-reuse-recycle, reducing packaging weight where possible, promoting the use of returnable packaging, and striving for the highest possible recyclability. Additionally, the Kofola Group is increasing the share of recycled materials in packaging, especially in PET bottles, where the environmental impact is highest.

This section provides a detailed description of the Kofola Group's approach to packaging materials and waste management, including key areas such as returnable packaging, recyclability, use of recycled materials and waste management strategies.

Returnable packaging

Returnable packaging such as glass bottles or kegs in the HoReCa sector is already standard practice within the Kofola Group. They are gradually reintroducing returnable bottles to retail through the Cirkulka bottle, which is used to package popular beverages like Kofola, Vinea and Rajec spring water. Independent LCA (Life Cycle Assessment) analyses and carbon footprint studies indicate that when these packages are reused, their environmental impacts are lower than those of single-use PET bottles. Overall, the Kofola Group sells over 15% of its beverage volume in returnable packaging. The Kofola Group aims to further increase this number and explore new opportunities.

Recyclability

Recyclability is crucial for keeping materials in circulation. For the Kofola Group, it is important that packaging materials can be returned to production and used again to make bottles, cans, or films. Therefore, the Kofola Group follows the principles of Design for Recycling and collaborates with recyclers in the regions where they operate. This allows them to receive direct feedback on the specifics of recycling in individual countries and adjust packaging to match local recycling capabilities. Factors affecting recyclability include the color of PET bottles, the type of label, and the printing on group packaging films.

Use of recycled materials

The Kofola Group is gradually increasing the share of recycled materials, primarily in PET bottles in the Beverage sector. The Kofola Group aims for bottles to be made into bottles again, and cans into cans. This approach is considered the most effective in terms of reducing environmental impacts. LCA analyses confirm that packaging made from recycled materials has a significantly lower carbon footprint

7. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

and other environmental impacts than packaging made from primary raw materials, despite the energy demands of the recycling process itself. With ongoing development in the circular economy and technological advancements, the efficiency of recycling processes is expected to continue improving, leading to broader use of recycled materials and further reductions in environmental impacts.

Increasing the ratio of recycled content relies on its market availability, which also involves having an effective system for collecting, sorting, and subsequently recycling the material. In this regard, the Kofola Group has long collaborated with stakeholders in the regions where it operates and strives to advocate for deposit systems, which demonstrably increase collection and subsequent recycling rates.

Waste

Regarding waste, the Kofola Group follows the principle that "the best waste is no waste." Therefore, they strive to reduce waste volume by finding new uses for it. Suppliers' packaging is the future waste of the Kofola Group. Therefore, they work with suppliers to find ways to deliver materials and raw materials in returnable packaging. In some plants where the issue of waste is most significant, WCM (World Class Manufacturing) standards are implemented to help workers improve waste sorting. The Kofola Group manages all waste collection through waste management companies, which are also responsible for subsequent disposal.

Legislation

European legislation on packaging materials, such as the PPWR (Packaging and Packaging Waste Regulation) or the SUP (Single-Use Plastic Directive), sets requirements for packaging design, recyclability, and minimum recycled content in packaging, among other things. European regulations and national legislations define the framework within which they operate and influence the development of packaging solutions. All activities of the Kofola Group in this area comply with current legislation.

Similarly, waste management is subject to strict regulation at both the EU and individual state levels. Waste laws stipulate obligations concerning sorting, recycling and waste management, including their recording in national systems. Compliance with these legislative requirements is standard for the Kofola Group, and operations are set up to meet all relevant regulations.

7.1.3 RESOURCE OUTFLOWS (E5-5)

Packaging

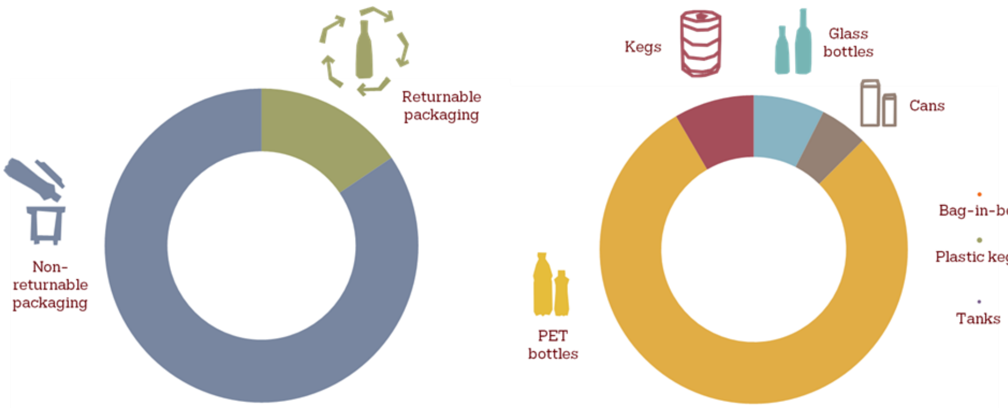
The main packaging materials include PET bottles, glass bottles, cans, KEG kegs, cardboard packaging and group films in the Beverage sector and the Beer and Cider sector. LEROS, s.r.o. primarily uses paper bags and boxes for packaging teas. UGO trade s.r.o. packages its products, such as salads and ready meals, in single-use plastic and paper containers. When selecting packaging, emphasis is placed on good recyclability, similar to the Beverage sector.

As described above, where possible, the Kofola Group prioritizes returnable packaging or packaging-free solutions, such as distributing beer in tanks. For returnable packaging, the Kofola Group emphasizes their design and durability to withstand as many cycles as possible and to maximize their lifespan in circulation.

Types of packaging in the Beverage sector and the Beer and Cider sector	
Production volume	
Glass bottles	7.45%
Cans	5.02%
PET bottles	78.80%
BIB (Bag-in-Box)	0.02%
KEG kegs	8.37%
Plastic kegs	0.27%
Tankers	0.09%

7. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

Returnable/non-returnable packaging in the Beverage sector and Beer and Cider sector	
Production volume	
Returnable packaging	15.55 %
Non-returnable packaging	84.45 %



The data comes from the ERP system and represents the total production volume of non-alcoholic beverages, beers and ciders during the monitored period.

Measuring the total share of recycled content in all packaging materials is complex, mainly due to the intricate supply chain, where it is often not easy to obtain accurate data from all suppliers. Currently, the Kofola Group does not have a comprehensive figure that reflects the total share of recycled material in all packaging. However, the Kofola Group is actively addressing this issue.

For key materials such as PET, the Kofola Group systematically monitors the share of recycled content, as it is a material in which they produce a significant portion of their products. For other materials, where obtaining reliable data is challenging, the Kofola Group acknowledges this shortcoming and plans to collaborate more intensively with its suppliers in the coming years to obtain substantiated information about the recycled content in the materials they use.

Waste		
		2024
Total amount of waste generated	T	9,281.03
Total amount of waste transferred to authorized entities	T	9,281.03
Hazardous waste diverted from disposal	**T**	**51.68**
Hazardous waste diverted from disposal due to preparation for reuse	T	-
Hazardous waste diverted from disposal due to recycling	T	51.18
Hazardous waste diverted from disposal due to other recovery operations	T	0.50
Other waste diverted from disposal	**T**	**7,700.22**
Other waste diverted from disposal due to preparation for reuse	T	-
Other waste diverted from disposal due to recycling	T	3,491.18
Other waste diverted from disposal due to other recovery operations	T	4,209.04
Hazardous waste designated for waste management	**T**	**121.56**
Hazardous waste designated for incineration	T	121.27
Hazardous waste designated for landfilling	T	0.29
Hazardous waste designated for other disposal operations	T	-
Other waste designated for waste processing	**T**	**1,118.52**
Other waste designated for incineration	T	169.24
Other waste designated for landfilling	T	949.28
Other waste designated for other disposal operations	T	-
Other waste with unknown disposal method	**T**	**285.80**
Hazardous waste with unknown disposal method	T	3.24

7. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

Non-recycled waste	**T**	**1,712.04**
Non-recycled waste	%	18.45 %
Total amount of hazardous waste	**T**	**176.47**
Total amount of non-hazardous waste	**T**	**9,104.53**
Total amount of radioactive waste	**T**	**-**

Waste from the Kofola Group primarily originates from production plants and mainly consists of packaging materials in which suppliers deliver materials and raw ingredients. If the Kofola Group does not have further use for these packages, they become waste. The waste includes various materials such as plastics, cardboard, glass, metals, or organic residues from production. The Kofola Group obtains data on waste production and management from waste reports in the individual countries where it operates.

OWN WORKFORCE

S1

8. OWN WORKFORCE (ESRS S1)

Our employees are the cornerstone of the Kofola Group's successful operation, and therefore, we focus on continuously improving our approach to them, which stands as one of the main pillars of our Mission and Vision.

ESRS topic	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own operations	Downstream		<1 year	1-5 years	5-10 years
Working conditions	*Work-related injuries*		x		**Impact (N;p):** There is a potentially greater likelihood of work-related injuries in manufacturing and warehouses due to the nature of the work	x	x	x

The potential negative impact on the workforce pertains to all production plants and warehouses within the Kofola Group. This is due to the higher potential risk related to employee health and safety, particularly in positions classified under higher work categories governed by public health protection laws and related regulations. The affected entities include Kofola a.s. (CZ), Pivovary CZ Group a.s., LEROS, s.r.o. and UGO trade, s.r.o. in the Czech Republic, Kofola a.s. (SK) in Slovakia, Premium Rosa sp. z o.o. in Poland, Radenska d.o.o. in Slovenia and Studenac d.o.o. in Croatia. All internal procedures and measures concerning potential negative impacts apply to both the internal workforce and external workers, such as individuals contracted to provide labor (self-employed persons or freelancers) or those provided by companies involved in employment-related activities ("agency workers").

A potential increase in workplace injuries could negatively affect the Kofola Group's business model, operational efficiency and financial performance. Increased employee illness and absenteeism could disrupt production processes, reduce productivity, and raise recruitment and training costs. More frequent injuries might also weaken supplier relationships, impair delivery reliability, and heighten reputational risks.

Additionally, a rise in workplace injuries could adversely impact employee health, leading to long-term disability, stress and decreased productivity, affecting workplace morale and the overall performance of the company. Higher injury rates could also result in greater consumption of protective equipment, materials and energy, leading to increased costs and environmental burden. Preventing these risks is crucial not only for employee protection but also for business sustainability and societal responsibility.

The impacts of increased workplace injuries are directly linked to the Kofola Group's strategy and business model, which emphasize efficiency, reliability and responsibility. Higher injury rates would undermine these areas, necessitating a reassessment of investment priorities and adjustments to work processes to ensure business sustainability and competitiveness.

ESRS topic	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own operations	Downstream		<1 year	1-5 years	5-10 years
Working conditions	*Trade unions and collective bargaining*		x		**Impact (P;a):** Collective bargaining supports open communication and reduces the risk of labor disputes, helping to achieve balanced working conditions and a stable work environment.	x	x	x

8. OWN WORKFORCE (ESRS S1)

The positive impact pertains to companies where employees are represented by trade unions, specifically Pivovary CZ Group a.s. in the Czech Republic, RADENSKA d.o.o. in Slovenia and Studenac d.o.o. in Croatia. This impact does not apply to individuals outside the main workforce, such as external contractors or agency workers.

Collective bargaining represents a transparent dialogue between employee representatives and management, supporting open communication and reducing the risk of labor disputes, while also contributing to balanced working conditions. In the value chain, it improves relationships with suppliers and customers and promotes social responsibility. On a strategic level, it ensures cost predictability and stability in decision-making.

Trade unions and collective bargaining improve working conditions, which increases employee satisfaction, motivation and stability. This leads to lower turnover and higher productivity. From an environmental perspective, they can support initiatives to improve ecological working conditions and employee health protection.

This positive impact is related to the Kofola Group's strategy focused on sustainability and a responsible approach to employees, which strengthens the stability, productivity and competitiveness of the Kofola Group.

8.1. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

8.1.1 POLICIES RELATED TO OWN WORKFORCE (S1-1)

As part of Kofola Group's operations within the European Union, the Group ensures compliance with all legislative requirements in the field of human rights, including principles established by the United Nations (UN). Kofola Group ensures fair working conditions for all its employees and respects rules regarding the prohibition of human trafficking, forced labor and child labor.

Given the legal framework, the risk of forced and child labor does not occur within Kofola Group.

Independent and satisfied employees are one of the strategic pillars of the Mission and Vision for 2030. In relation to employee health and safety, Kofola Group is committed in its personnel strategy to continuously improving working conditions, providing equitable market-level compensation, offering a competitive benefits structure that supports work-life balance and increasing investment in employee education and development. In particular, ongoing improvements in working conditions aim to lead to a healthier and safer work environment, as well as supporting extracurricular activities that contribute to better mental and physical health.

Kofola Group does not have a group-wide health and safety policy for its workforce. Each company has its own specific circumstances and addresses material issues in accordance with applicable legislation. In the area of employee safety and health in production plants and warehouses, individual companies manage potential impacts through local internal guidelines, such as Risk Identification and Assessment, Principles for Providing Personal Protective Equipment, Procedures in the Event of a Workplace Injury, etc.

8.1.2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS (S1-2)

Collaboration with employees is an important element of our personnel strategy. Every three years, Kofola Group conducts employee surveys that allow us to monitor satisfaction in areas such as compensation, work environment, management style and communication. The results help identify and address emerging issues and provide insights into opportunities for improving employee satisfaction. Regarding a safe working environment, employees are asked about suitable, adequately and well-equipped workplaces and their own suggestions for improvements. The last survey took place in 2022, and its results included specific proposals for changes in various company locations, which Kofola Group is gradually implementing. In the most recent employee survey, Kofola Group recorded satisfaction across all evaluated categories.

In companies covered by collective agreements, namely Pivovary CZ Group a.s., Radenska d.o.o. and Studenac d.o.o., Kofola Group collaborates with elected employee representatives. At least two formal meetings are held each year in each location. Operational topics related to changes in compensation, benefits, etc., are discussed with union representatives as needed. The operational responsibility for ensuring this collaboration and incorporating its outcomes into the company's procedures lies with the local HR manager. Meetings with union representatives are always conducted in the presence of the local general manager and other senior company leaders.

Other forms of collaboration with employees include individual annual interviews, feedback during the adaptation of new employees, as well as in cases of departures or through developmental activities like 360-degree feedback. In 2024, Kofola Group implemented this feedback both at the management level and within parts of the business organization of Kofola Group.

Collaboration with employees and their representatives is managed by local HR managers.

8.1.3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS (S1-3)

Kofola Group employs the World Class Manufacturing (WCM) system to mitigate negative impacts related to employee safety in production plants and warehouses. WCM is a methodology focused on enhancing manufacturing processes to achieve the highest quality, efficiency and safety. It is based on Lean Manufacturing and continuous improvement principles, emphasizing waste elimination, process optimization and employee engagement. The safety pillar of WCM focuses on preventing workplace injuries and illnesses. Any work-related injury requiring medical attention or resulting in work incapacity is recorded in a central injury database and shared across all production facilities. Employees are informed about these injuries during regular annual occupational health and safety (OHS) training and are educated on preventive measures.

At Kofola a.s. in the Czech Republic and Slovakia and also at Kofola ČeskoSlovensko a.s., employees can voice their concerns during regular meetings between management and employees, where they are invited in writing to engage in dialogue with management representatives. They can also use anonymous suggestion boxes. Across all Kofola Group companies, employees can address any concerns to the HR department at any time. In cases of suspected unlawful conduct, employees can utilize an internal whistleblowing system as outlined in the internal whistleblower protection policy.

A communication platform available on mobile phones and computers allows employees to express themselves or ask questions on various topics. This platform facilitates dialogue on business-related topics, benefits and organizational changes. The platform's usage is monitored by the PR department, which also ensures responses to raised queries. The presence of regular interactions and questions indicates that employees are familiar with and utilize this platform to express their needs.

For more information on other channels for expressing needs and concerns, refer to section G1.

8.1.4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS (S1-4)

Kofola Group has not adopted formalized measures for mitigating material impacts on its workforce in the area of health and safety. It adheres to compliance with relevant legislative requirements in individual countries. To minimize work-related injuries, Kofola Group creates and develops a work environment where potential injury risks are reduced, primarily through the use of WCM principles, which aim to establish an environment with zero injuries. WCM is part of the management of production plants and warehouses, and employees are regularly audited for compliance with WCM standards, with the health and safety component having the greatest weight, influencing the variable components of salaries.

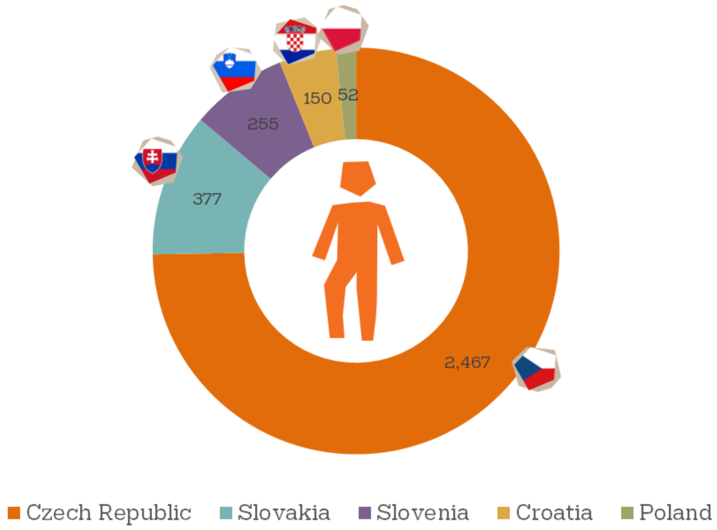
To reduce the possible risk of work-related injuries, Kofola Group offers employees a range of benefits that support them in strengthening their physical and mental health, such as additional vacation days, contributions to health, culture and sports, various forms of meal support, events for employees and their family members, and more. In Slovenia and Croatia, Kofola Group has long focused on promoting health and a healthy work environment through enhanced healthcare services, development activities aimed at supporting work-life balance, and opportunities to consult with specialists about their physical and mental health.

8.2. METRICS AND TARGETS

8.2.1 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S1-5)

The Kofola Group does not have formally established goals and does not monitor the effectiveness of its policies and measures beyond European legislative requirements in relation to potential negative impacts in the area of safety and health.

8.2.2 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES (S1-6)



Number of employees by country	
	2024
Czech Republic	2,467
Slovak Republic	377
Slovenia	255
Croatia	150
Poland	52
Total	**3,301**

The corresponding data is stated in the Annual report (B - 4.28). The number of employees stated in the Annual report represents average number of employees and does not include employees with non-guaranteed working hours.

Number of employees by gender	
	2024
Men	1,768
Women	1,533
Total	**3,301**

Number of employees by contract type				
Gender	**Permanent employees**	**Temporary employees**	**Employees with non-guaranteed hours**	**Total**
Men	1,319	343	106	1,768
Women	773	333	427	1,533
Total	**2,092**	**676**	**533**	**3,301**

8. OWN WORKFORCE (ESRS S1)

The number of employees with non-guaranteed working hours includes 410 employees from UGO trade s.r.o., who are typically students working under agreements such as "Dohoda o provedení práce" (Agreement to perform work) or "Dohoda o pracovní činnosti" (Agreement on work activity). This large proportion of employees with non-guaranteed working hours is due to the nature of work in the gastronomy segment and the seasonal nature of the business.

Employee turnover rate	
	2024
Number of employees who left the company during the reporting period	516
Total number of employees	3,301
Employee turnover rate for the period	**15.6%**

The turnover figures do not include terminated "Agreements to Perform Work" and "Agreements on Work Activity," which were made for seasonal assistance.

The data were consolidated for each company and are presented as the number of individuals at the end of the reporting period, except for the number of employees who left the Kofola Group during the entire reporting period.

8.2.3 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE (S1-8)

The Kofola Group supports collective bargaining and does not discriminate against those who participate in it. While there is no group-wide goal for collective bargaining, the focus is on ensuring reliable processes and strong management support for employee representatives in each location. Collective agreements are regularly negotiated at the local level in compliance with relevant laws and regulations concerning labor rights. There are three collective agreements in place, and negotiations are conducted in good faith. The Kofola Group ensures that any changes in working conditions are discussed with and communicated to the relevant employee representatives. This approach aims to make employees feel consulted and well-informed about business activities and developments. The Kofola Group monitors the progress of all collective bargaining processes within its companies and tracks the number of employees covered by collective agreements in each country where it operates. In 2024, 26% of Kofola Group's total workforce was covered by collective agreements, with full coverage (100%) in two countries and partially (21%) in one country. Specifically, in the Czech Republic, 522 employees at Pivovary CZ Group a.s. were covered, in Slovenia, 255 employees at RADENSKA d.o.o., and in Croatia, 150 employees at Studenac d.o.o.

There is no agreement with employees regarding representation by a European Works Council, a Council of an SE (Societas Europaea), or a Council of an SCE (Societas Cooperativa Europaea).

	Collective Bargaining Coverage		Social dialogue
Coverage rate	Employees – EEA	Employees – outside EEA	Workplace representation (EEA only)
0–19 %	Slovakia, Poland	-	Slovakia, Poland
20–39 %	Czech Republic	-	Czech Republic
40–59 %	-	-	-
60–79 %	-	-	-
80–100 %	Slovenia Croatia	-	Slovenia Croatia

8.2.4 HEALTH AND SAFETY METRICS (S1-14)

Health and safety metrics	
	2024
Percentage of own workforce covered by the health and safety management system	100 %
Work-related injuries and ill health	
Number of work-related injuries	134

8. OWN WORKFORCE (ESRS S1)

Total number of hours worked by own workforce	4,616,069
Rate of work-related injuries	29.03

Cases of illness			
	Employees	Workers who are not employees	Former employees and other workers
Number of cases of work-related ill health	-	-	-

Incapacity for work		
	Incapacity for work: employees	Incapacity for work: other workers
Number of calendar days	1,334	-

Work-related fatalities		
	Own workforce	Contractors working on company premises
Work-related injuries	-	-
Work-related ill health	-	-
Total	**-**	**-**

The occupational health and safety management system applies to 100% of the Kofola Group's employees.

The 134 work-related injuries represent the total number of recordable injuries. According to applicable legislation, this includes all work-related injuries, including minor injuries that do not result in the incapacity for work.

The number of calendar days of the incapacity fot work pertains only to work-related injuries that result in work incapacity.

The rate of work-related injuries is calculated as the ratio of the total number of work-related injuries to the total number of hours worked by the own workforce, scaled to 1,000,000 hours worked.

The Kofola Group does not record any cases of occupational diseases or work-related deaths.

8.2.5 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS (S1-17)

The Kofola Group has not recorded any incidents or complaints in the area of human rights.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS	
	2024
Number of reported cases of discrimination and harassment	-
Number of other complaints regarding social matters	-
Total amount of fines, penalties and compensations	-

WORKERS IN THE VALUE CHAIN

S2

9. WORKERS IN THE VALUE CHAIN (ESRS S2)

Respect for individual dignity and human rights is one of the considerations that influences the business practices of the Kofola Group, both within its own operations and in its supply chain. The Kofola Group recognizes that impacts on human rights—both positive and negative—can potentially arise in all aspects of its activities, particularly in the activities of direct suppliers and their chains (related to agriculture and the harvesting of raw materials needed for Kofola Group's production).

ESRS topic	Impact/risk name	Value chain			Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment		
		Upstream	Own operations	Downstream		<1 year	1-5 years	5-10 years
Working conditions	*Unsatisfactory working conditions*	x			**Impact (N;p):** Inadequate working conditions for workers in the value chain may potentially lead to non-compliance with working conditions set by international agreements and fair principles.	x	x	x
Other work-related rights	*Use of child and forced labor by suppliers from high-risk countries*	x			**Impact (N;p):** Employers of workers in the value chain do not adhere to ethical and social employment principles and exploit child and forced labor. Impact on workers' living conditions, potentially illegal.	x	x	x

The topics relate to activities associated with the supply chain of the Kofola Group, which provides raw materials and supplies for production, and concern the following companies within the Kofola Group: Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o., Studenac d.o.o., LEROS, s.r.o., UGO trade s.r.o., F.H.Prager s.r.o., Pivovary CZ Group a.s., Premium Rosa Sp. Z o.o.; AGRITROPICAL S.A.S.

Specifically, the Kofola Group has identified two impacts in its value chain that have a potential negative impact on employees in the value chain and has not identified any risk or opportunity. The impact related to unsatisfactory working conditions concerns employees of their suppliers conducting business activities outside Europe and North America, where working conditions are well legislated and no negative influence is expected. Both potential negative impacts thus concern less than 5% of the Kofola Group's suppliers (who supply the Beverage sector and the Fresh and herbs sector), but the potential impacts on their living conditions can be so significant that the Kofola Group has included them in its Sustainability report. These impacts do not directly affect their own operations. The evaluated impacts relate to business relationships in these parts of the value chain: activities associated with acquiring raw materials/commodities needed for production (e.g., sugar cane, grains, pineapple, mango, banana, coffee and tea); production of packaging and other materials needed for production and marketing (except for plastic preforms for beverage production, which come exclusively from Europe). Given the size/scope of these potential impacts, the resilience of the company's strategy and business model has not been addressed so far.

The Kofola Group has a good overview of workers who work on-site at the companies but are not part of its own workforce and a basic overview of employees of direct suppliers (from tier 1), with more than 95% of their raw materials and services coming from the EU, which significantly reduces the risk of human rights violations. It has minimal information about workers in the more distant parts of the preceding and subsequent value chain, and especially vulnerable workers, particularly with suppliers of raw materials/commodities in high-risk countries (outside the EU). Currently, the Kofola Group is not able to assess the exact origin of all its raw materials/commodities back to the start of their lifecycle, and therefore cannot specify the countries where labor rights violations, child labor and forced labor might occur. Employees in the value chain may face working conditions that are not in compliance with local regulations. Impacts on workers in the value chain may include (but are not limited to): poor working conditions, excessive working hours, insufficient wages, or inadequate personal protective equipment. They may also relate to potential systemic negative impacts, e.g., weak/inadequate legislation and its enforcement.

9.1. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

9.1.1 POLICIES RELATED TO VALUE CHAIN WORKERS (S2-1)

Although the Kofola Group does not have formally established policies regarding workers in the value chain, it is aware of its impacts and plans to address them as part of its developing due diligence. So far, these topics have not been material enough for the Kofola Group to create official policies, given that the volume of high-risk raw materials/commodities in its purchasing is minimal, and most of its essential raw materials are sourced locally within Europe. Supplier code of conduct has not been developed within the Kofola Group yet.

9.1.2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS (S2-2) AND PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS (S2-3)

With regard to the mentioned material impacts, the Kofola Group has not adopted a general procedure for cooperation with affected workers in the value chain. Selected departments (purchasing and quality) of the companies that interact with suppliers maintain regular contact with them through site visits, regular in-person and virtual training, industry conferences and summits and regular quality audits. These meetings are not primarily intended for monitoring human rights.

Workers in the value chain can use all available forms/channels of communication that the Kofola Group has designated for interaction with the public to express concerns or queries. All information is available on the website www.kofola.cz, where they can also find a link to a publicly accessible anonymous whistleblowing line.

9.2. METRICS AND TARGETS

9.2.1 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION (S2-4) AND TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S2-5)

Kofola, as a group operating in various sectors of the food industry primarily in Central Europe, emphasizes collaboration mainly with local suppliers, where there is generally no expectation of human and labor rights violations. The local nature of Kofola Group's suppliers is also integrated into its general Mission and Vision strategy. Kofola Group does not have official goals and measures according to the requirements of the ESRS standard concerning material impacts related to workers in the value chain for the entire Kofola Group.

No severe human rights issues and incidents connected to upstream and downstream value chain have been reported.

Every supplier (both new and existing) must undergo regular annual assessments (based on the rules of the internal directive - Supplier Evaluation). One of the essential requirements for supplier qualification is demonstrating a quality management system, for example, with a valid certificate (ISO, BRC, IFS, HACCP, etc.), or by conducting an on-site audit at the supplier's facility. Through this approach, Kofola Group evaluates suppliers primarily in terms of the quality of the supplied raw materials and materials, but in the future, it will strive to expand its knowledge regarding employees in the value chain and will place greater emphasis on ensuring that labor conditions and potential related child and forced labor are part of the due diligence process and the establishment of cooperation with suppliers. However, it does not currently plan any specific goals.

CONSUMERS AND END-USERS

S4

10. CONSUMERS AND END-USERS (ESRS S4)

ESRS topic	Impact/risk name	Value chain: Upstream	Value chain: Own operations	Value chain: Downstream	Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment: <1 year	Time assessment: 1-5 years	Time assessment: 5-10 years
Personal safety of consumers and/or end-users	*Health and safety*			x	**Impact (N;p):** Products with higher sugar content have a potential negative impact on the health of certain consumer groups. **Impact (N;p):** Excessive consumption of energy drinks has a potential negative impact on the health of certain consumer groups. **Impact (N;p):** The alcohol content in some products and their excessive consumption is associated with health consequences.	x	x	x
Social inclusion of consumers and/or end-users	*Responsible marketing practices*			x	**Impact (N;p):** Irresponsible marketing and related advertising targeting vulnerable consumer groups.	x	x	x

The topics relate to activities connected with our end supply chain of distributors, consumers, and end customers of companies that produce products with potential impact on human health: Kofola a.s. (CZ); Kofola a.s. (SK); RADENSKA d.o.o., Studenac d.o.o., LEROS, s.r.o., UGO trade s.r.o., F.H.Prager s.r.o., Pivovary CZ Group a.s., Premium Rosa Sp. z o.o. The impact of activities associated with marketing practices is related to the above-mentioned manufacturing companies and additionally includes companies involved in services related to marketing: Supplo s.r.o., Semtex Republic s.r.o., FONTÁNA PCZG s.r.o.

10.1. STRATEGY

10.1.1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

The Kofola Group directly influences consumers through its products and brands, and therefore fully recognizes the responsibility for their composition, method of sale and marketing communication. The scope of disclosed information includes all consumers and end users who may be significantly influenced by the company and its products and services.

The product portfolio includes a variety of beverages, including mineral waters, juices, syrups, teas, sweetened drinks, energy drinks and alcoholic beverages. In this context, the Kofola Group has identified several key consumer groups that the products may significantly impact:

- Consumers and end-users of beverages with a high sugar content, who are at risk of contributing to the development of obesity and related chronic diseases;
- Consumers of energy drinks, where excessive consumption may pose health risks associated with high caffeine content and other stimulants;
- Consumers of alcoholic beverages, whose excessive consumption may present health and social risks;
- Especially vulnerable groups, such as children and adolescents, who may be more sensitive to marketing strategies and require protection from undue exposure to products with potential negative impacts;

- Consumers who rely on transparent and accurate information about product composition, including nutritional values and any warnings.

In the context of impact assessment, the Kofola Group has identified both systematic and individual negative impacts:

- Systematic impacts include the general availability of beverages with higher sugar content, energy drinks and alcoholic beverages, which may contribute to long-term health risks.
- Individual impacts may arise in connection with marketing campaigns and product labelling, where it is essential to adhere to ethical standards and transparency.

In light of the aforementioned material impacts, the Kofola Group regularly updates its strategy and adjusts its business model accordingly (see chapter S4-4).

The Kofola Group gains insights into potential impacts on consumers and end users through the analysis of consumer behavior, customer feedback, regulatory requirements and external studies on the health impacts of sugar, caffeine and alcohol consumption.

The Kofola Group has not identified any material risks or opportunities related to consumers and end users.

10.2. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

10.2.1 POLICIES RELATED TO CONSUMERS AND END-USERS (S4-1)

The Kofola Group has long focused on responsible communication and a transparent approach to its consumers. Its marketing activities respect ethical principles and ensure that campaigns reflect real life and the genuine values of the brand and the Kofola Group. Although it currently does not have a formally defined separate policy regarding consumers and end users, its attitudes and principles are integrated into broader internal rules and marketing principles that reflect legislative regulations that must be met. The Kofola Group follows ethical codes issued by the Advertising Council (in the Czech Republic and Slovakia). It emphasizes transparency in the composition of its products, promotes a healthy lifestyle (by motivating customers to engage in sports and lead an active lifestyle in general, or by expanding the portfolio with products based on water, fruit juices, teas, etc.), and responsible advertising that is not targeted at children and minors. In the future, it will continue to monitor developments in this area and consider options for further formalizing its approaches.

The reason for not adopting a separate policy is the fact that approaches and principles regarding consumers and end users are already integrated into internal rules and marketing principles, which are in line with the commitment to responsible communication and transparency. Because of this, the Kofola Group has not deemed it necessary to create a separate document. However, as part of the continuous development of ESG approaches, it will continue to evaluate the need to formalize this area in the future.

10.2.2 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS (S4-2)

The Kofola Group recognizes its responsibility towards consumers and end users regarding its products and actively strives for open and effective communication with them. It has established procedures that allow it to regularly obtain and evaluate feedback from its customers through consumer surveys, social media, customer support and other interactive platforms. Consumer surveys are typically conducted for selected beverages, especially before market launch. On a monthly basis, for key brands, the Kofola Group conducts brand tracking, which monitors and measures brand performance in the market. The aim is to gain insight into how brand perception changes, how consumers respond to new campaigns, products, or other marketing activities.

Consumer surveys help to better understand customer preferences and expectations, enabling continuous innovation and improvement of the product portfolio. It communicates transparently about the composition of its products, including sugar content and other ingredients, so that consumers can make informed decisions. Additionally, it uses social media and digital channels for active interaction with customers, where it shares news, answers questions, and responds to their suggestions.

It ensures ethical marketing communication and, through its campaigns, promotes an active and balanced lifestyle in all the countries where it operates. Its responsible personnel for individual communication channels ensure that all forms of interaction with consumers are consistent and reflect its values. Contacts for individuals/departments overseeing specific matters are provided on the websites of the individual companies. The Communication Manager is responsible for ensuring cooperation and integrating results into the company's processes. The Kofola Group has long focused on building relationships with consumers, who are an integral part of its success, and their voice is key in product and strategy development.

10.2.3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS (S4-3)

The channels designated for consumers and end users to express concerns or report negative impacts associated with Kofola Group's products include standard communication channels such as customer service lines, social media and contact forms on the websites. The Kofola Group has also established an internal whistleblowing system for reporting concerns about unlawful conduct. Details, monitoring, and supported procedures are outlined in section G1. Additionally, the Kofola Group receives feedback based on the daily contact of the sales team with clients in the HORECA and Retail sectors. The teams strive to respond to consumer feedback individually and seek effective solutions in line with the company's values. The Kofola Group regularly evaluates consumer and end-user awareness of the available communication channels through customer surveys, feedback and analysis of submitted suggestions. Trust in the functionality of these mechanisms is monitored based on the usage rate and effectiveness of resolving individual submissions. Furthermore, the Kofola Group has implemented a policy to protect individuals from retaliatory measures, ensuring anonymity and safety when submitting suggestions, in accordance with ethical principles and the internal rules of the Kofola Group.

10.2.4 TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS (S4-4)

To minimize health risks for consumers and promote responsible consumption, the Kofola Group has implemented several measures, including the gradual reduction of sugar content in beverages, expansion of the water-based beverage portfolio, and strict marketing rules that ensure the protection of sensitive consumer groups, such as:

- The company F.H.Prager s.r.o. has introduced new functional products to its portfolio that respond to market demand and align with measures to support healthier and alternative products. Specifically, Prager' Kombucha Rooibos, which is completely caffeine-free and, conversely, Prager's Kombucha Matcha, with increased natural caffeine content that does not cause sharp fluctuations in heart rate and blood pressure.
- The company Kofola a.s. (CZ), under the brand Korunní, has included in its product portfolio three beverages made from mineral water with low sugar content and added functional substances, specifically natural caffeine, vitamin D3, B6, B9 + Zinc, and enriched with minerals like iron with vitamins B3, B9, B12.
- UGO trade s.r.o. has introduced SUPERSHOT Energy with matcha as a healthy alternative to energy drinks, with a natural source of caffeine.
- Kofola a.s. (CZ) has included in its portfolio of children's products a fruit juice drink, Jupík SPARKY, free from preservatives, colorants and sweeteners.
- Kofola a.s. (CZ) has expanded its portfolio of energy drinks with Semtex EXTREM, which uses guarana and matcha instead of taurine. Natural caffeine (guaranin) is absorbed more slowly than synthetic caffeine, leading to a longer and more stable energetic effect.

10. CONSUMERS AND END-USERS (ESRS S4)

The Kofola Group gains insights into potential impacts associated with the consumption of its products in various ways:

- Analysis of trends and studies – It monitors research in the fields of nutrition and the health impacts of food and beverages;
- Collaboration with experts – It consults its products with nutrition specialists and healthcare professionals to ensure their safety and appropriate composition;
- Consumer feedback – Through customer services and surveys, it gathers information about consumer experiences;
- Regulatory framework – It complies with and responds to legislative requirements in the areas of food production and consumer protection;
- Market and complaints monitoring – It observes consumer reactions to its products and any suggestions for improving composition or communication.

Through this approach, it ensures that the products are not only of high quality and safe but also reflect consumer needs and expectations. As part of its approach to responsible business, it offers and expands its product portfolio with products that have a positive impact on health and sustainable consumption.

The Kofola Group has long emphasized transparency in the composition of its products, and the principles of responsibility towards consumers are an integral part of its approach to product innovation and marketing communication. This ensures that it does not contribute to material negative impacts on consumers and end users. The products of the Kofola Group meet strict safety and quality standards, and their production is in compliance with applicable legislation. In the future, the Kofola Group plans to further develop its activities in this area in line with consumer expectations and regulatory requirements.

The effort is to remove preservatives from beverages. In recent years, the Kofola Group has innovated its operations with technologies that have allowed it to completely eliminate preservatives from some beverages. The content of preservatives is regulated by food legislation. Preservatives are only found where innovation does not yet allow for alternative methods. The Kofola Group has long been striving to reduce the use of sugar in beverages. It believes that this reduction can be achieved naturally, without drastically replacing sugar with artificial sweeteners. A great example of this approach is the flavored range of traditional Kofola - Less is More. It contains 30% less sugar without being replaced by any artificial sweeteners or stevia.

The aforementioned approaches allow the Kofola Group to rectify material negative impacts.

The Kofola Group manages its material impacts through its quality and marketing departments, which ensure appropriate resource allocation and measures for effective management.

10.3. METRICS AND TARGETS

10.3.1 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES (S4-5)

Currently, the Kofola Group has not established any specific measurable goals in the area of managing material negative impacts, promoting positive impacts, and managing material risks and opportunities concerning consumers and end users. Through strict internal standards, regular inspections and certifications, it ensures that its products meet high quality and safety requirements. Additionally, it focuses on expanding its portfolio of beverages with lower sugar content, health-beneficial (functional) products, and eliminating preservatives where technologically possible, even though it does not have set numerical criteria or a defined indicator.

G1)

BUSINESS CONDUCT

G1

11. BUSINESS CONDUCT (ESRS G1)

ESRS topic	Impact/risk name	Value chain: Upstream	Value chain: Own operations	Value chain: Downstream	Description of impact/risk N = negative impact P = positive impact a = actual p = potential	Time assessment: <1 year	Time assessment: 1-5 years	Time assessment: 5-10 years
Corporate culture	*Poorly set corporate culture and behaviuoral principles in the company*	x	x		**Impact (N;p):** Potential occurrence of incidents among employees, disrupted employee-employer relationships, impact on suppliers and other stakeholders.	x	x	x

It concerns all companies across the entire Kofola Group.

Since this is a potential negative impact, we cannot speak of current effects, but rather expected or foreseeable effects of this impact on the business model, value chain, strategy, and decision-making. Poorly set corporate culture and unclear principles of conduct within the company can negatively affect the business model by reducing employee engagement or disrupting relationships with customers and suppliers. In the long term, this can weaken competitiveness and damage the reputation of the Kofola Group in the market. Therefore, the Kofola Group responds by, for example, creating safe mechanisms for reporting incidents, supporting open and transparent communication with employees, customers and suppliers, and embedding its Mission and Vision into its business and daily life within the company. It aims to focus on building a transparent and open corporate culture in the long term and to support trust and ethical behavior throughout the Kofola Group.

A negative corporate culture can affect employees by reducing engagement or willingness to continue working for the Kofola Group. This could potentially lead to increased turnover. It can also definitely affect suppliers and partners, where misalignment with corporate culture may result in their loss. From an environmental perspective, these are more indirect impacts—a poor corporate culture can weaken the consistency in fulfilling sustainable commitments, which could potentially lead to a weakening of sustainable initiatives.

The company's strategy must reflect that corporate culture is a key factor in long-term competitiveness—if poorly set, it can negatively affect performance and the ability to adapt to market conditions.

11.1. IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

11.1.1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE (G1-1)

The Kofola Group recognizes that ethical behavior, responsible business practices, and a strong corporate culture are crucial for long-term sustainability and the trust of all stakeholders. Therefore, it actively works on procedures concerning the conduct of the Kofola Group, which define commitments in the areas of ethical behavior, compliance, diversity, inclusion and responsibility towards employees, customers and business partners.

As part of strategic planning, the Kofola Group develops strategies for various time frames (3-5 years), which include issues of corporate culture and the behavior of the Kofola Group (regarding sustainability, employees, products, etc.). These strategies allow for an effective response to changing market conditions, regulatory requirements and stakeholder expectations.

The long-term strategy of the Kofola Group is defined by the Mission and Vision up to 2030, which consists of key pillars reflecting its values and commitments to sustainable growth: 1. Autonomous and satisfied people (=individuals who have the freedom to make decisions, take responsibility for their work, and operate independently – while also feeling content, valued, and motivated in their roles), 2. Customer's first choice (= long-term, strong and fair relationships with the customer), 3. Healthy products (= improving products and balancing the portfolio, healthy mix), 4. New opportunities (= seeking new opportunities and innovations beyond the existing business model), 5. Sustainability (=

embedding a considerate approach into every single decision), 6. Support for localities and agriculture (= support for localities where the Kofola Group operates – financially, product-wise, and by "improving" the surroundings), 7. Responsible stewardship (= achieving a certain level of revenue and EBITDA, so the Kofola Group can responsibly finance further investments). These pillars serve as a framework for setting and continuously developing a transparent and responsible corporate culture.

The Kofola Group supports corporate culture through internal programs (which include, for example, the implementation of the so-called turquoise organization[1] in some teams and management levels), through the introduction of innovations within the portfolio and processes (employee innovation days) and open communication, which strengthens values such as integrity, transparency and responsibility. This approach allows for building a stable, sustainably managed company that is prepared for future challenges while remaining true to its core values.

The evaluation of corporate culture is partly based on monitoring KPIs related to measurable indicators of the Mission and Vision (e.g., financial indicators or EBITDA), as well as regular assessments of customer satisfaction or employee satisfaction surveys.

As previously mentioned, the Kofola Group has not implemented policies that describe mechanisms for identifying, reporting, and investigating concerns about unlawful conduct or conduct that contradicts the code of conduct. However, available and applied mechanisms can be considered as training and education (e.g., Corporate Governance training for new employees); internal audits that regularly assess and review risks in procedures and processes where there might be concerns about unlawful conduct; monitoring (especially regarding IT security); whistleblower protection through an established reporting system; or communication with a supervisor or the HR department.

[1] Turquoise organizations differ from traditional hierarchical structures primarily in their operation by emphasizing several key aspects: self-management (greater autonomy for employees, emphasis on responsibility and the ability to independently set goals, plan, come up with ideas, and solve problems), decentralization of structure, flexibility (employees can take on different roles according to their skills and interests, roles can change based on organizational needs), evolutionary principles (turquoise organizations are dynamic and adaptive), positive impact (besides success in achieving objectives, turquoise organizations strive to create positive changes in society and the environment), transparency.

11. BUSINESS CONDUCT (ESRS G1)

The Kofola Group companies where the reporting system is implemented and which are subject to the regime of national legislation do not record any reports for the reported period. However, it can be said that any potential reports would be thoroughly analyzed and investigated in accordance with applicable EU legal regulations and national legislations.

The process includes: Initial assessment – Evaluation of the report in terms of its seriousness and credibility; Internal investigation – If the report is justified, independent investigation is conducted by competent departments and company employees; Corrective actions – In case of confirmed violations, appropriate measures would be taken, including disciplinary actions or systemic changes.

This approach ensures that the company actively protects its integrity, minimizes risks, and strengthens the trust of employees, business partners and the public.

The Kofola Group does not have an anti-corruption or anti-bribery policy in accordance with the United Nations Convention against Corruption. It is not currently considering implementing such a policy, and therefore, there is no timeline for its introduction.

The way the Kofola Group protects whistleblowers can vary slightly depending on the jurisdiction in which a Kofola Group operates and how the relevant EU directive is transposed into the national legal system. However, throughout the Kofola Group, there is an email address for potential reports: whistleblowing@kofola.net (in addition to other reporting methods according to applicable regulations)[2].

[2] In the Czech Republic, the following companies are subject to the regime of Act No. 171/2023 Coll., on the protection of whistleblowers: Kofola ČeskoSlovensko a.s., Kofola a.s. (CZ), UGO trade s.r.o., LEROS, s.r.o., SANTA-TRANS s.r.o. and Pivovary CZ Group a.s. In Slovakia, the protection of whistleblowers pertains to Kofola a.s. (SK), where obligations are regulated by Act No. 54/2019 Coll., on the protection of whistleblowers of anti-social activities. In Poland, this issue concerns Premium Rosa Sp. z o.o. The legal norm implementing whistleblower protection into the Polish legal system is the Act of June 14, 2024, on the protection of whistleblowers (Dz.U. of 2024, item 928). In Slovenia, RADENSKA d.o.o. is subject to the whistleblower protection regime based on the relevant legal norm (Zakon o zaščiti prijaviteljev). Similarly, whistleblower protection is implemented in Croatia at Studenac d.o.o. (Zakon o zaštiti prijavitelja nepravilnosti).

11. BUSINESS CONDUCT (ESRS G1)

In such companies, an internal reporting system is established in the form of a regulation that governs the submission, assessment process, and handling of reports of potential unlawful conduct, as well as the handling of obtained information, in accordance with generally binding legal regulations applicable in the respective country in line with specific legal standards.

Employees are informed about the internal regulation in a manner prescribed by law.

A whistleblower can submit a report through an external reporting system managed by state authorities or through the internal reporting system established by the employer, both orally and in writing. At the request of the whistleblower, the responsible person is also obliged to accept the report in person within a reasonable time frame.
The person responsible for receiving the report and further processing it is either an internal lawyer of the company or another designated individual.

The basic measures implemented in accordance with European and national legislation include:

a) Prohibition of any form of retaliation and protection against negative consequences (dismissal, wage reduction, transfer, intimidation, or other forms of discrimination),
b) Confidentiality and anonymity (confidentiality of the whistleblower's identity; anonymous channels),
c) Ensuring independent investigation,
d) Access to legal protection and support.

The Kofola Group does not have established procedures for rapid, independent, and objective investigation of incidents related to corporate conduct, including cases of corruption and bribery, beyond procedures for follow-up actions in connection with whistleblower reports in accordance with applicable legal regulations implementing Directive (EU) 2019/1937. The Kofola Group also states that it has not recorded any reports during the reported period (or previous periods).

The Kofola Group does not have a policy regarding professional training within the organization concerning corporate conduct. However, mechanisms are in place for onboarding new employees regarding corporate culture, corporate governance, and their obligations arising from generally binding legal regulations.

The Kofola Group has not specifically identified individuals or functions most at risk of corruption and bribery.

However, it can be said that within the company, these functions are primarily:

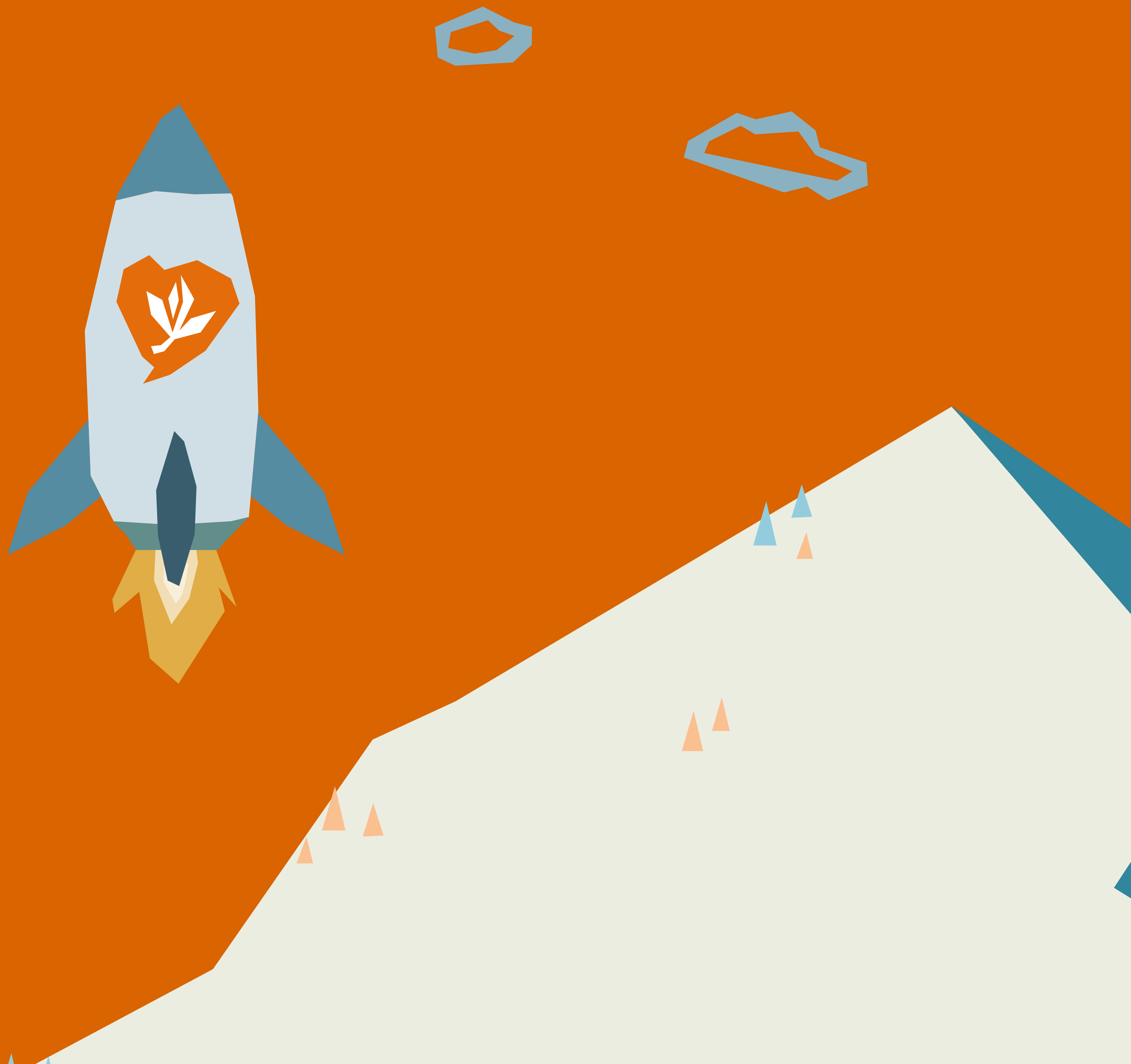
a) Board of Directors/Executives, CEOs/CFOs,
b) Head of Procurement, Purchase Manager,
c) Sales Director.

There are robust control mechanisms in place within the Kofola Group, the adherence to and enforcement of which help minimize the risk of incidents related to corruption or bribery.
This includes the control and approval of individual employee expenses by supervisors and the control and approval of all contracts and documents (applies similarly to most Kofola Group companies) in a pre-defined workflow (contract approval by a supervisor, financial director, lawyer and statutory representatives in the ERP system or in a similar manner).

The Kofola Group has not recorded a proven case of corruption or bribery during the reported period (or in its entire history)

21.5.2025	**Janis Samaras**	**Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**René Musila**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Daniel Buryš**	**Vice-Chair of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Pisklák**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Martin Mateáš**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*
21.5.2025	**Marián Šefčovič**	**Member of the Board of Directors**	....
date	*name and surname*	*position/role*	*signature*

12. INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON KOFOLA ČESKOSLOVENSKO A.S. CONSOLIDATED SUSTAINABILITY STATEMENT

To the Shareholders of Kofola ČeskoSlovensko a.s.:

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of Kofola ČeskoSlovensko a.s. (hereafter the "Company") included in section Consolidated Sustainability Report of the Consolidated Annual Financial Report (the "Consolidated Sustainability Statement") as at 31 December 2024 and for the year then ended.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Board of Directors of the Company in order to satisfy the requirements of § 32k of the Czech Accounting Act implementing Article 29a of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1; and
- compliance of the disclosures within the environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852, resp. EU Regulation 2021/2178 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Consolidated Sustainability Statement

As discussed in BP-2: Disclosures in relation to specific circumstances in the Consolidated Sustainability Statement, there are significant inherent limitations associated with the measurement or evaluation of the sustainability matters against the applicable criteria.

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward-looking information in accordance with ESRS, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, the Board of Directors of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibilities of the Company's Board of Directors, Supervisory Board and Audit Committee for the Consolidated Sustainability Statement

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with § 32k of the Czech Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in the environmental section of the Consolidated Sustainability Statement in compliance with Article 8 of EU Regulation 2020/852, resp. EU Regulation 2021/2178); and
- designing, implementing and maintaining such internal controls that Board of Directors determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The Supervisory Board in collaboration with the Audit Committee are responsible for overseeing the Company's sustainability reporting process.

Our Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by the Board of the Directors (e.g. stakeholder engagement, business plans and strategy documents); and
    - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
    - performing inquiries to understand the Company's control environment, processes and information systems relevant to the preparation of the consolidated sustainability statements;

- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement;
- Other procedures performed with respect to the EU taxonomy disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with § 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures within the environmental section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852, resp. EU Regulation 2021/2178.

Other matters

Our assurance engagement does not extend to information in respect of earlier periods.

Ernst & Young Audit, s.r.o.
Licence No.: 401

Radek Pav, Auditor
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21 May 2025
Prague, Czech Republic