

Dear Shareholders,

The 2020 Kofola ČeskoSlovensko Annual Report contains information about all important events that the Kofola Group was involved in during 2020. Facts, figures, and lots of other data. Before I get to the numbers and the pandemic, I would like to highlight a few things that brought me a bit of joy in the previous year.

The first is the confirmation that our clients and consumers are simply great. They love Kofola and enjoyed the summer with us to the full. Thank you all.

Last year, we finished the diversification of the Group's portfolio. Our water segment currently represents around one third of our revenue, thanks to Ondrášovka and Korunní. This is very important to us, mainly as it reduces our dependence on sugar. In our portfolio, to be local and healthy is of increasing importance.

We haven't stopped our work on environmental projects, quite the opposite. We are continuing with creating the Rajec valley habitat, our pilot project for production plants, which we would also like to spread to the other areas we operate in. We supported the planting of 20,000 trees in Slovenia and Croatia. Finally, we continually revise our products and their packaging to minimise their impact on the environment. Sustainability, for us, represents profitability in the long term.

I am glad that we have a strong relationship with our financing banks, which were a great support in 2020 as well. Our cashflow was strong and enabled us to pay a standard dividend of 13.5 CZK per share, despite the fact that after the acquisition of Korunní and Ondrášovka our debt was more than 3.5 times EBITDA.

Our employees, our Kofola people, achieved the impossible - the record-breakingly fast integration of new acquisitions and the smooth restructuring, necessitated by the current situation. It was pretty much all down to them. All companies in the Group had to take unpopular steps, including redundancies. Employees on all levels have had to work even harder than ever during these difficult months. Our thanks to them all.

So what is the outcome of the previous year? Our revenue fell by 3.7%, which may look insubstantial due to the circumstances. However, if we don't count our new acquisitions, our traditional business was hit by 164 million CZK on the EBITDA level. A significant part of this loss happened in the second and fourth quarter, during the restaurant closure in all markets. The contribution of Korunní and Ondrášovka, together with our successful summer season, helped to limit the fall in EBITDA to an acceptable 89 million CZK.

Our flagship – Kofola – was especially successful on the CzechoSlovak market during the main season. Moreover, we were very pleased with our 'reborn' mineral water brand Klášterná Kalcia with sales of above 90 million CZK.

The Adriatic region suffered from the lack of tourists on the Croatian coast. On the other hand, we were able to finish rebuilding our plant in Lipik, which should bring considerable operational savings. We entered the very strong category of instant drinks in this region by introducing Oraketa, a brand of powder drink.

LEROS, a company specializing in products from medicinal herbs, finished its merger with Espresso, thereby fully integrating coffee into its portfolio. We introduced a new brand of coffee – Trepallini – to the market, but the pandemic slowed down our

expansion into the coffee segment. Nevertheless, we believe in the future of this segment and you are sure to hear a lot more about aromatic Leros products.

UGO went through a very difficult year, especially due to the forced closure of its branches for a significant part of it. We had to close some of them permanently and more will follow. We still see a future for this segment in general, with its positive impact on health – which continues to grow in importance in the eyes of consumers.

Finally, I would like to thank everybody once again who accompanied us through 2020. I believe that this difficult year has made us stronger and that 2021 will put us back on the track of stable and long-term growth.

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

Annex 1: The Board of Director's report – presentation 2020