

SUMMARY EXPLANATORY REPORT PURSUANT TO SECTION 118 (8) OF THE CAPITAL MARKET UNDERTAKINGS ACT, ON CERTAIN ASPECTS OF THE EQUITY OF COMPANY KOFOLA ČESKOSLOVENSKO A.S.

The Board of Directors of the company Kofola ČeskoSlovensko a.s., ID No.: 242 61 980, with its registered seat at Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, registered in the Commercial Register administered by the Regional Court in Ostrava, Section B, Insert 10735 (hereinafter as the “company”) pursuant to Section 118 subsec. 8 of the Act No. 256/2004 Coll., Capital Market Undertaking Act, as amended (hereinafter as the “CMUA”) executed this Summary Explanatory Report concerning the issues pursuant to Section 118 subsec. 5 par. a) to k) of CMUA.

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

The equity structure is as follows:

| Equity structure | 31.12.2020 CZK' 000 |
|--|------------------------|
| Equity attributable to owners of Kofola ČeskoSlovensko a.s. | 1,338,391 |
| Share capital | 1,114,597 |
| Share premium and capital reorganisation reserve | (1,962,871) |
| Other reserves | 2,449,921 |
| Foreign currency translation reserve | 60,067 |
| Own shares | (490,151) |
| Retained earnings/(Accumulated deficit) | 166,828 |
| Equity attributable to non-controlling interests | (31,199) |
| Total equity | 1,307,192 |

As at 31 December 2020, 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.

During March 2020, the Company acquired on the stock market through share buy-back programme in total 19,759 treasury shares for the total value of CZK 4,410 thousand (average price 221.51 CZK per share). Majority of treasury shares has been used within the management incentive programme. The Company as at 31 December 2020 held 11 pieces of its own shares in total nominal value of CZK 550 (31 December 2019: 0). No purchases of treasury shares occurred in the financial year 2019.

RADENSKA d.o.o. as at 31 December 2020 owned 1,113,977 (as at 31 December 2019: 1,114,010) shares of the Company (which represented 5.00% of the Company’s share capital as at 31 December 2020 and 31 December 2019) in total value as at 31 December 2020 of CZK 490,150 thousand (as at 31 December 2019: CZK 490,164 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). At the date of acquisition, the shares had nominal value of CZK 100 each. Nominal value of shares owned by RADENSKA d.o.o as at 31 December 2020 was CZK 55,699 thousand (as at 31 December 2019: CZK 55,701 thousand).

Part of the shares owned by RADENSKA is intended for the management incentive programme.

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 2020:

| Significant shareholders (all with direct participation) | Proportion of the voting rights | Participation percentage |
|--|---------------------------------|--------------------------|
| AETOS a.s., Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, identification No. B10942 | 70.75% | 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% | 5.00% |
| Total | 70.75% | 72.22% |

Significant shareholders as at 31 December 2019:

| Significant shareholders (all with direct participation) | Proportion of the voting rights | Participation percentage |
|--|---------------------------------|--------------------------|
| AETOS a.s., Nad Porubkou 2278/31a, Poruba, 708 00 Ostrava, identification No. B10942 | 70.75% | 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% | 5.00% |
| Total | 70.75% | 72.22% |

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 2020 is known to the Company only in the case of the controlling entities AETOS 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 2020. 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 as follows:

- on 10 January 2020, the company NN Group N.V. notified that its proportion of the voting rights has decreased from 1.07% to 0.78%.
- on 7 October 2019, the company ConsilEng s.r.o. notified that its portion of the voting rights reached 1.03%.

Until the end of the year 2020 and throughout the year 2021 (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 1%.

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 11 treasury shares and to the 1,113,977 shares owned by the controlled company RADENSKA cannot be exercised. 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 4 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.

Approval by a majority of at least two thirds of the votes of the present shareholders 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 present shareholders hold shares with the par value exceeding 50% of the share capital of the Company. The latest amendment to the Articles of Association of the Company was approved by the General meeting of the Company on 5 August 2020. The reason for the amendment was to bring the Company's Articles of Association in line with the relevant legislation, namely the amendment of the Business Corporations Act effective as of 1 January 2021 and the effective amendment of the Act No. 256/2004 Coll., Capital Market Undertakings Act. The amended Articles of Association are effective as of 1 January 2021.

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 about eventual schemes on the basis of which employees and members of the statutory body of the Company may acquire participation securities in the Company, options concerning such securities or any other rights related to these securities, under more favourable terms, and information about how these rights are exercised

On 8 June 2017, the Company concluded a program for long-term remuneration of senior managers of the Group. The objective of the Program was to motivate and stabilize the senior executives by the opportunity to participate in the success of the Kofola Group.

The participants were entitled to get shares of the Company free of charge based on the agreement on participation in the program for a long-term remuneration of senior managers of the Group. The program contained of a two separate, but nevertheless complementary plans:

- 1 The Share Acquisition Plan consisting in the participant's option to buy Kofola shares on the market and, under the fulfilment of the specified conditions, to receive for free the same number of Kofola Pair shares.
- 2 The Performance Shares Plan consisting in the participant's right to receive for free, under the fulfilment of key performance targets by the Kofola Group, the pre-determined number of Kofola shares.

Since 31 December 2019, the Program can no longer be joined. Under the Program, no Performance shares were granted. In 2020, only a part under point 1 above of the Program was in operation.

The maximum number of the eligible Investment shares could not exceed the specified annual limit - the number of shares, which could be purchased on regulated market for 50% of the basic annual gross salary (remuneration) paid to the participant by companies from the Group in the calendar year (i.e. from January 1, 2017 to December 31, 2017, from January 1, 2018 to December 31, 2018 and from January 1, 2019 to December 31, 2019). If the number of Investment shares held by a participant on December 31 of a calendar year exceeded the determined limit, the Company's shares purchased by the participant exceeding the stated limit were not taken into consideration for the Share Acquisition Plan and the participant could not claim the Pair shares for these shares even though he fulfilled other conditions to constitute the claim. However, the shares not eligible as Investment shares in one calendar year could be eligible in one of the following calendar years. A participant could only receive pair share if they held investment shares throughout the entire relevant period (2 years following the end of the calendar year that served as reference for the yearly limit) and, at the same time, if they were employed with the Company or a member of a Company body throughout the entire relevant period. The participant is obliged to hold the pair shares for at least 1 year as of their transfer to the participant. This Plan ended on 31 December 2019 but the Company will keep transferring pair shares to participants until 2022.

| Summary of effect during 2020 and as of 31 December 2020 | |
|---|--------------------------------|
| Number of Pair shares granted in 2020 (pcs) | -* |
| Total cumulated number of Pair shares granted as of 31 Dec 2020 (pcs) | 71,506 |
| Fair value of Pair shares as of grant date (CZK) | 406.6 |
| End of 3-year vesting period | 31 Dec 2019 |
| Transfer of Pair shares to participants – executed in 2020 | 19,748 pcs during Mar/Apr 2020 |
| Transfer of Pair shares to participants – to be executed | 31 Mar 2021, 31 Mar 2022 |
| Total costs from equity settled transactions in 2020 (CZK thousand) | -* |
| Cumulated reserve from equity settled transactions as of 31 Dec 2019 (CZK thousand) | 31,345 |
| 2020 changes in reserve from equity settled transactions (CZK thousand), note B 1.5 | (4,091) |
| Cumulated reserve from equity settled transactions as of 31 Dec 2020 (CZK thousand) | 27,254 |

* Year 2019 was the last year of the option scheme programme.