

Colt CZ Group and Kaprain enter a strategic partnership in the production of nitrocellulose

Prague (August 29, 2025) – Colt CZ Group SE (“Colt CZ”, the “Group” or the “Company”) hereby announces that on August 28, 2025, it entered into a share purchase and sale agreement (“Agreement” or “SPA”) with Synthesia, a.s. (“Seller”), 100% owned by Kaprain Chemical Limited (“Kaprain”), for the purchase of Synthesia Nitrocellulose, a.s. (“SNC”). Colt CZ will acquire a 51% stake now, with the remaining 49% to follow under already agreed terms in the medium term.

Synthesia Nitrocellulose, a.s. was founded in December 2024 through a spin-off of the nitrocellulose manufacturing division from Synthesia, a.s., one of the largest energetic nitrocellulose manufacturers in Europe and North America. Energetic nitrocellulose is a basic raw material for the production of single and multi-component powders and propellants, and is essential for the production of small-, medium-, and large-caliber ammunition. SNC is currently expanding its production capacity to meet growing market demand. Synthesia Nitrocellulose is also a major manufacturer of industrial nitrocellulose and oxycellulose for healthcare use.

The total transaction price is CZK 22 billion based on enterprise value¹, corresponding to approximately an 8.2x multiple of the expected 2025 EBITDA. The purchase price will be paid through a combination of cash and the issuance of new common shares of Colt CZ, which will represent approximately 40% of the purchase price. Upon completion of the transaction, Kaprain will become the third largest shareholder of Colt CZ. Synthesia, a.s. will remain the owner of the remaining shares of SNC. The transaction will be settled after the conditions precedent are met, in particular regulatory approvals by authorities in various countries, which is expected no later than in the first quarter of 2026.

In connection with the transaction, Colt CZ Group has also agreed to acquire the energy division of Synthesia, a.s., which generates and supplies energy for the industrial complex in Semtín and Rybitví. The energy division will first be spun off into a separate company. This part of the transaction is expected to be completed in the first half of 2026 and will initially involve the acquisition of a 51% stake, with Colt CZ acquiring the remaining 49% under the already agreed terms in the medium term. The price of this transaction will be CZK 1.4 billion based on enterprise value and will be paid exclusively through the issuance of new common shares of Colt CZ.

*“We are proud to welcome Synthesia Nitrocellulose, one of the world's leading suppliers of energetic nitrocellulose based in a NATO member country, to Colt CZ Group. The acquisition of SNC fits into our strategy of expanding the Group's activities into medium and large-caliber ammunition while strengthening our position in a critical element of our supply chain. We intend to continue the vertical integration of ammunition manufacturing, thereby contributing to the strategic independence and self-sufficiency of the Czech Republic and NATO countries in defense supplies,” said **Jan Drahota, Chairman of the Board of Directors of Colt CZ Group**. “We look forward to working with the management, employees, and customers of Synthesia Nitrocellulose. We appreciate the trust of the Kaprain Group, an important player*

¹ Enterprise value is defined as the value of a company without cash and debt.

*in the Czech chemical industry, which will become the third largest shareholder of Colt CZ Group," added **Jan Drahota**.*

*"We are pleased to have found a partner in Colt CZ Group with a long-term vision in the defense industry that will support further development of Synthesia Nitrocellulose. We believe that combining the chemical know-how of Kaprain with the experience of Colt CZ in the field of ammunition will bring significant synergies throughout the supply chain. We are pleased that, as a major shareholder, we will be involved in the future development of Colt CZ Group," said **Jan Kadaník, Chairman of the Board of Directors of Synthesia, a.s. and Director of Kaprain Chemical**.*

About Colt CZ Group SE

Colt CZ Group (Colt CZ) is one of the leading producers of firearms and ammunition for military and law enforcement, personal defense, hunting, sport shooting, and other commercial use. It markets and sells its products mainly under the Colt, CZ (Česká zbrojovka), Colt Canada, Dan Wesson, Sellier & Bellot, Spuhr, swissAA and 4M Tactical brands.

Colt CZ Group is headquartered in the Czech Republic and employs more than 4,000 people in its production facilities in the Czech Republic, the United States, Canada, Sweden, Switzerland, and Hungary. The Group has been listed on the Prague Stock Exchange since 2020, and its majority shareholder is Česká zbrojovka Partners SE holding.

About Kaprain Group

Kaprain is a Czech investment group founded in 2013 and developed by Karel Pražák for more than 10 years. It focuses on six core areas – real estate, industry, finance, retail, entertainment and media. Currently, Kaprain has more than 6,000 employees and assets with a total value exceeding CZK 50 billion.

The industrial division of the Kaprain Group focuses mainly on the chemical industry. It consists of Spolchemie, Synthesia, the Slovak Fortischem and two rubber plants – Rubena and Trelleborg Bohemia.

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