

Colt CZ Group increased its net profit by 50.8% to CZK 919 million in the first half of 2025

Prague (September 18, 2025) — Colt CZ Group SE (“Colt CZ”, the “Group” or the “Company”) today released its consolidated unaudited financial results for the first half of 2025, ending June 30.

H1 2025 Financial Highlights:

- ▶ The Group's revenues for the first half of 2025 reached CZK 11 billion, up 13.7% y-o-y, driven by growth in the ammunition segment and consolidation of Sellier & Bellot for the full six months of 2025.
- ▶ Adjusted EBITDA in the first half of 2025 amounted to CZK 2,361.1 million, which is up by 19.2% y-o-y, if compared with the adjusted EBITDA for the first six months in 2024.
- ▶ Net profit for six months ended June 30, 2025, increased by 50.8% to CZK 919.3 million, compared to six months ended June 30, 2024, driven by stronger operating profitability.

“We are operating in a period of dramatic geopolitical and economic change, which brings not only challenges but also opportunities for the Group. We remain a reliable partner to both our long-term and new customers from Allied countries. We have taken several decisive steps that significantly reinforce our role in the defense industry and elevate our Group to a new level. The acquisitions of Synthesia Nitrocellulose and Valley Steel Stamp have substantially enhanced our vertical integration in both the ammunition and firearms segments,” said **Jan Drahota, Chairman of the Board of Directors of Colt CZ Group**. *“New contracts with the armed forces of Denmark and the Czech Republic further underscore our credibility with key NATO partners,”* added **Jan Drahota**.

Revenues by Segments

Revenues from the ammunition segment increased by 183.6% y-o-y in the first half of 2025 and amounted to CZK 5.2 billion due to the consolidation of Sellier & Bellot for the full six months in the first half of 2025 and organic growth in the ammunition segment in general.

Revenues from the firearms segment decreased by 26.0% y-o-y in the first half of 2025, to a total of CZK 5.8 billion. The number of firearms sold also went down by 10.3% y-o-y, which amounted to 289,984 units. Sales of long firearms decreased by 16.7% y-o-y to 114,845 units, while sales of short guns recorded a slight decrease of 5.6% y-o-y to 175,139 units. This decrease was primarily attributable to continued weakness in the U.S. commercial market for the Colt brand and a shift of several

planned M&LE contracts of Colt and Česká zbrojovka to Q3 and Q4 2025. On the contrary, products of Česká zbrojovka, particularly pistols, recorded an increase in sales in the U.S. commercial market. Colt Canada was the only entity within the firearms segment to achieve year-on-year growth, delivering record results in its history.

Revenues by Regions

Regionally, revenues generated in the Czech Republic declined by 38.4% to CZK 1,377.5 million as of June 30, 2025. This decline reflects a high comparative base due to significant deliveries to the Czech Ministry of Defense last year that were not repeated this year.

Revenues generated in Europe (excluding the Czech Republic) increased year-on-year by 103.3% to CZK 3,962.8 million for six-months ended June 30, 2025, driven by the full consolidation of Sellier & Bellot.

Revenues generated in the United States for six-months ended June 30, 2025, declined year-on-year by 3.9% to CZK 4,028.2 million, affected primarily by the weakness of the U.S. commercial market in the firearms segment.

Revenues generated in Canada for the first half of 2025 totaled CZK 527.9 million, which represents an 8.0% y-o-y increase.

Revenues generated in Africa went up by 136.1% to CZK 132.2 million for six months ended June 30, 2025, due to new orders from both firearms and ammunition segments.

Revenues generated in Asia increased year-on-year by 82.5% to CZK 656.8 million for six months ended June 30, 2025, primarily due to the consolidation of Sellier & Bellot and performance of the ammunition segment.

In the Latin America region, sales for the first six months of 2025 amounted to CZK 274.2 million, amounting to 30.2% less y-o-y. Sales to other regions reached CZK 55.1 million, 245.2% y-o-y more, driven by new orders in both segments.

Acquisition of VSS

On June 16, 2025, Colt CZ acquired Valley Steel Stamp Inc., a Massachusetts corporation. The purchase price fully paid on closing was USD 59.5 million, before adjustment for working capital and cash. The transaction was financed entirely with the Company's existing cash resources. VSS is a well-established manufacturer of firearm components and had been a long-term supplier to Colt CZ Group in the United States. Headquartered in Greenfield, Massachusetts, the company employs approximately 150 people. In 2024, VSS generated USD 44.3 million in revenue from its firearm manufacturing operations.

Acquisition of Synthesia Nitrocellulose

On August 28, 2025, Colt CZ Group entered into a share purchase and sale agreement with Synthesia, a.s., 100% owned by Kaprain Chemical Limited, for

the purchase of Synthesia Nitrocellulose, a.s. 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. is 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.

The total transaction price is CZK 22 billion based on enterprise value, 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.

Selected New Major M&LE Contracts

In August, Colt Canada has signed a major contract with the Danish Defense Acquisition and Logistics Organization (DALO) for the supply of 26,000 C8 MRR (Modular Rail Rifle) carbines. This agreement marks an important extension of the longstanding partnership between Denmark and Canada in the field of small arms.

In September, Česká zbrojovka and the Czech Ministry of Defense signed a new framework agreement for the supply of small arms (CZ BREN 2 rifles, CZ P-10 C pistols, and CZ GL underbarrel grenade launchers) and accessories worth up to CZK 4.26 billion, excluding VAT. The framework agreement covers the period from 2025 to 2031 and builds on successful cooperation that began in 2011, under which the Ministry of Defense implemented several contracts that enabled a complete transition to NATO-caliber individual weapons.

Outlook for the Second Half of 2025

In line with previous announcements, Colt CZ continues to see major global business opportunities in the military and law enforcement segment. Cooperation with NATO and EU member countries, along with the NATO Support and Procurement Agency (NSPA), remains a top priority. At the same time, the Group acknowledges the growing importance of other markets, mainly in Asia. Winning tenders and timely executing signed contracts are other prerequisites for fulfilling this outlook. In addition, maintaining profitability and retaining margins in the firearms segment, especially in the US market, remains one of the Company's goals also for the rest of 2025.

During the first half 2025, Colt CZ closely monitored discussions regarding the introduction of U.S. tariffs on European goods and proactively implemented measures aimed at protecting its profitability, particularly at the EBITDA level. The

Group was able to adjust prices of the affected exports in a timely manner, resulting in no significant impact of the tariffs on its financial results for the first half of 2025. Colt CZ estimates that approximately 10% of its sales in the U.S. market will be affected by the newly imposed 15% tariffs. As a result, the Group does not currently anticipate any material impact on its planned consolidated revenues. Nonetheless, a potential adverse effect on operating profitability, particularly at the EBITDA level, in the low single-digit percentage range cannot be ruled out.

Based on the above considerations, the Group confirms its 2025 outlook, anticipating revenues of CZK 25 billion and adjusted EBITDA of approximately CZK 5.5 billion (+/- 10%). This outlook does not include the potential impact of the SNC acquisition. We are focusing on order fulfillment, new product development, and closely monitoring key markets.

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.

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