

Report of the Supervisory Board of Colt CZ Group SE on the supervisory activities for the period from 1 January 2023 to 30 January 2024

1. Introduction

The Supervisory Board of **Colt CZ Group SE**, with its registered office at náměstí Republiky 2090/3a, Nové Město, 110 00 Prague 1, ID No.: 291 51 961, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. H 962 (the “**Company**”), hereby submits, in compliance with the provisions of Article 7(7.3)(y) of the Articles of Association of the Company and Section 449(1) of the Act No. 90/2012 Coll., on Corporations and Cooperatives (the Corporations Act), as amended (the “**CCA**”), to the General Meeting of the Company, this report summarising the results of its supervisory activities for the period from 1 January 2023 to 30 January 2024.

In the period from 1 January 2023 to 30 January 2024, the Company’s Supervisory Board performed its activities in compliance with the Company’s Articles of Association and applicable legislation, in particular the relevant provisions of the CCA and Act No. 256/2004 Coll., on Capital Market Business, as amended.

This report has been drawn up for the purposes of the General Meeting of the Company that will pass resolutions per rollam with voting taking place between 6 February 2024 and 26 February 2024 at the latest.

The Supervisory Board of the Company regularly attended meetings of the Company’s Board of Directors and held a total of 12 separate regular meetings of the Supervisory Board. Representatives of the Supervisory Board of the Company regularly attended meetings of the Company’s Board of Directors and on 7 occasions, per-rollam decisions were made.

Depending on the content and gravity of the issues discussed, persons invited to the meeting of the Company’s Supervisory Board included competent members of the Company’s Board of Directors, Company’s employees and/or external advisors and auditors of the Company.

As part of its supervisory activities, the Company’s Supervisory Board also cooperated with the Audit Committee, the Supervisory Board’s strategic investments and acquisitions, remuneration, and compliance and ethics committees.

At its meetings, Company’s the Supervisory Board regularly discussed:

- ▶ information on the course and outcomes of the Company’s Board of Directors’ meetings;
- ▶ potential acquisition opportunities and specific projects abroad;

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- ▶ profit/loss of Czech and foreign holdings of Colt CZ Group;
- ▶ up-to-date information on the arms industry in the Czech Republic and abroad, including possible developments in the political and regulatory environment affecting the operations of Colt CZ Group, with regard to the impact that the war conflict in Ukraine and in the Middle East has on the arms industry;
- ▶ issues related to the energy crisis, the inflation rate changes and their impact on the Colt CZ Group's profit/loss, and measures taken to stabilise the negative impacts.

In accordance with the currently valid wording of the Company's Articles of Association (Article 13.6), the Company's Supervisory Board has given the Company's Board of Directors prior approval to carry out the following crucial decisions:

- ▶ approval of the Company's annual individual and consolidated financial plan for 2023,
- ▶ approval of the Company's bond programme, which resulted in the issue of the Company's bonds worth CZK 1,929,000,000;
- ▶ acquisition of 100% of shares in swissAA Holding AG;
- ▶ the acquisition of 100% of shares in Sellier & Bellot a.s. through Vocatus Investment a.s., the Company's subsidiary; and
- ▶ approval of financial documentation regarding a USD 100,000,000 loan granted by Komerční banka, a.s. to cover part of the purchase price for the 100% share in Sellier & Bellot a.s.

Furthermore, the Supervisory Board recommends that the General Meeting approve the proposed increase in the Company's share capital, including the exclusion of the pre-emptive right to subscribe shares in connection with the acquisition of Sellier & Bellot a.s., with its registered office at Lidická 667, 258 01 Vlašim, Czech Republic, ID No.: 289 82 347, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 15674, by the Company's subsidiary, Vocatus Investment a.s., with its registered office at náměstí Republiky 2090/3a, Nové Město, 110 00 Prague 1, Czech Republic, ID No.: 194 17 772, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 28195, as it is in the Company's important interest.

The Supervisory Board notes that, while carrying out its supervisory activities, it has not ascertained any:

- ▶ risks, or any suspected fraud or unlawful conduct that might have a material impact on the accounting reports, profit/loss or the operations of the Company;
- ▶ committed fraud or unlawful conduct with a material impact on the accounting reports, profit/loss or operations of the Company;
- ▶ substantial weaknesses in the internal control system;
- ▶ material aspects in the Company's operations that could be perceived as breach of law, or the Company's Articles of Association.

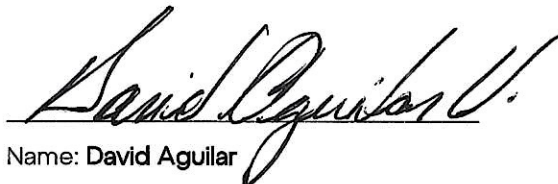
Furthermore, the Company's Supervisory Board has not encountered any conduct on the part of the Company's Board of Directors that would be contrary to due managerial care.

Moreover, the Company's Supervisory Board has not ascertained any breach of the ban on competitive activities on the part of members of the Company's Board of Directors within the meaning of the relevant provisions of the CCA, i.e., the Supervisory Board has not found any member of the Company's Board of Directors to engage in business, serve on the governing body (except for the governing bodies of companies within the Colt CZ Group controlled by the Company, and/or duly reported engagements) or participate in the business of any other legal entities with objectives similar to those of the Company.

2. Conclusion

In accordance with Article 22.4 of the Company's Articles of Association, this report of the Supervisory Board was discussed on the proposal of the Chairman of the Company's Supervisory Board and with the consent of all its members, outside of the Supervisory Board's meeting (*per rollam* resolution) and adopted on 2 February 2024 by all its members in the form of a resolution.

Date: 2 February 2024



Name: David Aguilar

Position: Chairman of the Supervisory Board