

Semi-Annual Financial Report

for the 1st Half of 2024

Colt CZ Group SE

**COLT
CZGROUP**

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1. ABOUT THE COMPANY

Colt CZ Group SE ("Colt CZ" or "the Company"), together with its subsidiaries ("the Group"), is one of the world's leading manufacturers of firearms, tactical accessories and ammunition for the military and law enforcement, personal defense, hunting, sport shooting and other commercial uses. Its products are mainly marketed and sold under the Colt, CZ (Česká zbrojovka), Colt Canada, CZ-USA, Dan Wesson, Sellier & Bellot, swissAA and 4M Systems brands.

After its stock exchange listing in 2020, the Group experienced significant expansion. In 2021, the Group added Česká zbrojovka a.s. ("CZUB" or "Česká zbrojovka") in the Czech Republic to its existing production, together with the US firearms manufacturer Colt's Manufacturing Company LLC in the USA and its Canadian subsidiary Colt Canada Corporation ("Colt Canada"). In 2022, the Company completed an acquisition of the Swedish manufacturer of optical mounting solutions Spuhr i Dalby AB ("Spuhr").

In 2023, it purchased swissAA Holding AG ("swissAA"), the Swiss producer of small caliber ammunition. In May 2024, it also closed the acquisition of Sellier & Bellot, a traditional Czech manufacturer of ammunition that is ranked among the oldest engineering companies in the Czech Republic and worldwide.

As at 30 June 2024, Colt CZ had an average FTE headcount of 3,782 employees. Colt CZ Group has its registered office in the Czech Republic and manufacturing capacities in the Czech Republic, the United States, Canada, Sweden, Switzerland and Hungary.

As of 30 June 2024, the majority shareholder was Česká zbrojovka Partners SE with a 52.8% stake, CBC Europe S.à r.l. ("CBC") held a 26.8% stake, and 20.4% was free float. Colt CZ's shares are traded on the Prime Market of the Prague Stock Exchange.

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2. LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

It is with great pleasure that I present to you the semi-annual report for the first half of 2024, in which our Group has achieved historic financial performance.

Total revenues of our Group increased by 41,2% to CZK 9.7 billion, and the adjusted EBITDA reached CZK 1.98 billion. This result reflects not only the consolidation of the results from our new acquisition – Sellier & Bellot, which is now firmly integrated in our Group – but also the market recovery in the United States, where we saw overall revenue growth of 30.2% to CZK 4.19 billion. We also grew significantly in Europe, with an impressive 166% increase, and in the Czech Republic, where revenues rose by 62.9% to CZK 2.24 billion, supported by major deliveries.

The overall growth in financial revenues has significantly outpaced the increase in the number of firearms sold (by 2,8%), confirming the correctness of our decision to focus on the military and law enforcement market. The dynamics is well illustrated by the increase in the number of long firearms sold by nearly 17%. In the newly

reported ammunition segment, we achieved revenues of CZK 1.8 billion in the first half of 2024, thanks in part to the acquisition of Sellier & Bellot .

We are proud that an increasing number of military and law enforcement customers consider our Group a key partner for future development and rearmament. Here, I would like to highlight two cooperation projects with Ukraine. During the intergovernmental meeting held in July in Prague, Sellier & Bellot and the Ukrainian state company Ukroboronprom signed a cooperation agreement to produce several types of small-caliber ammunition in Ukraine. Sellier & Bellot will supply Ukraine with technology for ammunition production. In line with the Agreement of Joint Intent with Ukroboronprom from February, Česká zbrojovka signed a contract for the transfer of technology for assembling the CZ BREN 2 rifles in Ukraine. We are honored to contribute to Ukraine's transition to NATO-standard armaments and the development of a self-sufficient Ukrainian defense industry.

Our Group already has more than 15,500 shareholders, which we see as a great commitment for our daily

decisions and actions. We are very pleased that more than 1,000 of them have decided to reinvest the dividends received from the 2023 profit into further development

Finally, I would like to mention the significant strengthening of the Colt CZ Group Board of Directors following the acquisition of Sellier & Bellot. Mr. Radek Musil, the long-time and successful CEO of Sellier & Bellot, has been elected as a member of the Board of Directors effective August 1, 2024, with responsibility for the ammunition segment. I am confident that he will be a strong voice in discussions regarding the future strategic direction of our business.

Thank you all for the trust and support you have shown us. I am confident that together we will continue to successfully face the challenges ahead and achieve outstanding results.

A big thank you goes to our employees, who have contributed to the excellent results of the first half of this year.

Jan Drahota
President and Chairman of the Board
of Directors



3. KEY FINANCIAL INDICATORS

Consolidated income statement and statement of comprehensive income

(in CZK thousand)	For six-months ended 30 June		Change in %
	2024	2023	
	(unaudited)		
Revenues from the sale of own products, goods and services	9,690,015	6,860,236	41.2%
<i>Revenues from the firearms and accessories segment</i>	7,856,235	–	–
<i>Revenues from the ammunition segment</i>	1,833,780	–	–
Operating profit (loss)	898,774	924,719	(2.8%)
EBITDA	1,459,595	1,298,152	12.4%
Adjusted EBITDA ¹	1,980,758	1,464,196	35.3%
Profit (loss) before tax	794,788	1,352,073	(41.2%)
Profit for the year	609,618	1,046,155	(41.7%)
Profit for the year adjusted ²	1,015,079	1,198,473	(15.3)
Net earnings per share (CZK per share)			
Basic	15	30	
Diluted	15	30	
Adjusted ²	25	35	

Consolidated statement of financial position

(in CZK thousand)	As of		Change in %
	30 June 2024 (unaudited)	31 Dec 2023 (audited)	
Total assets	46,712,414	25,976,756	79.8%
Total equity	16,603,688	9,274,846	79.0%
Total liabilities	30,108,726	16,701,910	80.3%
Total equity and liabilities	46,712,414	25,976,756	79.8%

¹ In the first half of 2024, EBITDA was adjusted by one-off items related to unrealized acquisitions, payments related to the employee stock option plan, and one-off expenses connected with the acquisition of Sellier & Bellot – inventory step up and commodity hedging, which are unrelated to operational performance and value creation in the given period. In the first half of 2023, EBITDA was adjusted by one-off items related to acquisitions and payments related to the employee stock option plan, which are unrelated to operational performance and value creation in the given period.

² In the first half 2024, net profit was adjusted by one-off items related to unrealized acquisitions, payments related to the employee stock option plan, and one-off expenses connected with the acquisition of Sellier & Bellot – inventory step up cost related to the bond issue and bank fees related with acquisition loan. In the first half of 2023, profit for the year was adjusted by one-off items related to unrealized acquisitions, payments related to the employee stock option plan, costs of revaluation of equity earnout related to the Colt acquisition, and by financing costs related to the bond issue, which are unrelated to operational performance and value creation in the given period.

4. GROUP RESULTS FOR THE FIRST HALF OF 2024

4.1 Closing the Acquisition of Sellier & Bellot

On 16 May 2024, Colt CZ successfully completed the acquisition of a 100% stake in Sellier & Bellot. Colt CZ acquired 100% of the shares of Sellier & Bellot a.s. for the combination of a cash consideration in the amount of USD 350 million and a new issue of 13,476,440 of Colt CZ common shares (an equivalent of USD 353 million). The total acquisition price equaled USD 703 million in total, excluding Sellier & Bellot's net debt.

The selling company CBC gained a 27.71% stake in the share capital of Colt CZ Group. New shares were issued on 16 May 2024, and Sellier & Bellot also entered in the Group's consolidation as of 16 May 2024. The acquisition was financed through a combination of the Company's existing cash resources and debt financing via bank loans maturing in 2029.

A CBC representative, Mr. Daniel Birmann, was appointed as a member of the Supervisory Board based on the Nomination Agreement made on 16 May 2024 between Colt CZ Group SE and CBC. His nomination was subsequently confirmed by the decision of the General Meeting of Shareholders held in June 2024.

4.1.1 Brief Description of Sellier & Bellot

Sellier & Bellot is a traditional Czech manufacturer of small caliber ammunition and ranks as one of the oldest manufacturing companies in the Czech Republic, as well as one of the world's oldest companies in the ammunition and defense industry. Its products have been manufactured under the Sellier & Bellot trademark since 1825. The company's product portfolio includes a wide range of hunting and sporting ammunition and components for pistols and revolvers, select fire rifles, shotguns and rimfire rifles.

Sellier & Bellot is also a major supplier of ammunition to the military and law enforcement customers worldwide. Sellier & Bellot exports about 90% of its products. The company has a balanced mix

of customers from the military & law enforcement and commercial customers. Its main markets are the USA, Germany, the Czech Republic, Belgium, Luxembourg, Poland and Austria. As of 30 June 2024, the company had 1,633 employees and operated the main production plant in the city of Vlašim in the Czech Republic.

4.2 Financial Results for the First Half of 2024

Following the acquisition of Sellier & Bellot, and in accordance with IFRS, Colt CZ will report revenues for two separate segments - the firearms and accessories segment and the ammunition segment - starting from the first half of 2024.

(a) Firearms and accessories segment

The firearms and accessories segment includes the design, production, assembly and sale of firearms, tactical accessories and optical mounting solutions for the military and law enforcement, personal defense, hunting, sport shooting, and other commercial uses.

In the first half of 2024, there was a slight increase in 2.8% y-o-y in the number of sold firearms, which amounted to 323,365 units. Higher sales of long firearms were recorded, which rose 16.8% y-o-y to 137,840 units, while sales of handguns recorded a slight decrease of 5.6% y-o-y. In terms of quarterly performance, the second quarter of 2024 was significantly stronger than the first quarter of 2024. The total number of sold handguns and long firearms grew by more than 30% quarter-over-quarter, confirming the expected recovery in the Group's key markets.

The following table includes an overview of firearm units by type sold by the Group for the reported period:

Number of units	For six-months ended 30 June		
	2024	2023	Change in %
Long firearms	137,840	117,985	16.8%
Handguns	185,525	196,579	(5.6%)
Total firearms	323,365	314,564	2.8%

Source: Colt CZ Group

Revenue from the firearms and accessories segment increased by 15% y-o-y in the first half of 2024, to a total of CZK 7.9 billion, which was primarily based on growth in the number of firearms sold and strong performance in the Group's key markets in the second quarter of 2024. Starting from the first half of 2024, the Company will separately report the firearms and accessories segment in accordance with IFRS.

(b) Ammunition segment

The ammunition segment consists of the design, production and sale of small-caliber ammunition, including pistol and rifle ammunition, together with shotgun shells for hunting, sport shooting, and military and law enforcement, as well as the production and sale of grenades and other military material. It also includes development and production of ammunition manufacturing machinery and tools.

Starting from the first half of 2024, the Company will separately report for the ammunition segment in accordance with IFRS. In the ammunition segment, the Company includes revenues of its subsidiaries Sellier & Bellot (from 16 May 2024), swissAA, and the relevant part of revenues of CZ Defense Solutions. In the newly reported ammunition and munitions segment, the Group achieved revenues of CZK 1.8 billion in the first half of 2024.

(c) Comments related to financial statements for the first half of 2024

Revenues

Compared with the results as at 30 June 2023, revenues for six-months ended 30 June 2024 increased 41.2% to CZK 9.7 billion. The main reason were higher sales in the second quarter of 2024, compared to the weaker first quarter of the year, and the consolidation of the new acquisition Sellier & Bellot from 16 May 2024. If compared to the published guidance of CZK 9 - 9.2 billion of revenues in the first six-months of 2024, which the Company published at the end of May 2024, the achieved revenues exceeded the guidance by more than 5%.

Revenues by Regions

Regionally, revenues generated in the Czech Republic increased by 62.9% to CZK 2,235.3 million as at 30 June 2024, primarily as a result of deliveries to the Czech Army, consolidation of the new acquisition of Sellier & Bellot from 16 May 2024. Revenues generated in the United States for six-months ended 30 June 2024 increased year-on-year by 30.2% to CZK 4,191.6 million, mainly as a result of anticipated recovery of the US commercial market and consolidation of the new acquisition of Sellier & Bellot from 16 May 2024. Revenues generated in Canada for the first half of 2024 totaled CZK 488.7 million, which represents a 49.7% y-o-y decline driven by one-off delivery to the Canadian government in connection with aid for Ukraine last year. Revenues generated in Europe (excluding the Czech Republic) increased year-on-year by 165.7% to CZK 1,949.7 million for six-months ended 30 June 2024, due to consolidation of the swissAA group and the new acquisition of Sellier & Bellot from 16 May 2024.

Revenues generated in Africa declined by 37.5% to CZK 56.0 million for six-months ended 30 June 2024, due to seasonality of sales in this region. Revenues generated in Asia increased year-on-year by 32.2% to CZK 359.8 million for six-months ended 30 June 2024. Colt CZ started reporting revenues for the new Latin America region, where sales for the first six-months of 2024 amounted to CZK 392.8 million, which is 238.1% more y-o-y. Sales to other regions reached CZK 15.9 million, which is 81.6% less y-o-y.

The following table shows the breakdown of the Group's revenues by region for the reported periods.

(in CZK thousand)	For six months ended 30 June			Share of total revenues %
	2024	2023	Change %	
	(unaudited)			
Czech Republic	2,235,313	1,371,873	62.9%	23.1%
United States	4,191,632	3,218,812	30.2%	43.3%
Canada	488,724	970,866	(49.7%)	5.0%
Europe (excl. the Czech Republic)	1,949,693	733,928	165.7%	20.1%
Africa	55,992	89,642	(37.5%)	0.6%
Asia	359,848	272,251	32.2%	3.7%
Latin America	392,844	116,179	238.1%	4.1%
Other	15,969	86,685	(81.6%)	0.2%
Total	9,690,015	6,860,236	41.2%	100.0%

Raw Materials and Consumables Used

The use of raw materials and consumables increased by 51.5% to CZK 5,453.5 million for six-months ended 30 June 2024, compared to six months ended 30 June 2023. The main reasons for the increase were higher volumes and consolidation of the new acquisition of Sellier & Bellot from 16 May 2024.

Services

The cost of services increased by 31.9% to CZK 1,098.3 million for six months ended 30 June 2024, compared with six months ended 30 June 2023, due to the effect of the USD exchange rate, consolidation of the swissAA group and the new acquisition of Sellier & Bellot from 16 May 2024.

Personnel Expenses

Personnel expenses increased by 46.2% to CZK 2,226.3 million for six months ended 30 June 2024, compared to six months ended 30 June 2023. The increase in personnel expenses was attributable to payments related to the employee stock option plan, as well as payroll increases based on collective agreements in the Czech Republic and the US, and consolidation of the new acquisition of Sellier & Bellot from 16 May 2024.

Depreciation and Amortization

Depreciation and amortization increased by 50.2% to CZK 560.8 million for six months ended 30 June 2024, compared to six months ended 30 June 2023, mainly due to consolidation of the new acquisition of Sellier & Bellot from 16 May 2024. Depreciation and amortisation from the revaluations of newly acquired assets related to the acquisition of Sellier & Bellot amounted to CZK 142 million in the first half of the year.

EBITDA and Adjusted EBITDA

EBITDA increased by 12.4% to CZK 1,459.6 million for six months ended 30 June 2024, compared to six months ended 30 June 2023. The increase was primarily due to higher sales in the second quarter of 2024, the recovery of the US commercial market, and consolidation of the new acquisition of Sellier & Bellot from 16 May 2024. Compared to the weaker first quarter of 2024, EBITDA increased by 147% in the second quarter of 2024.

The Adjusted EBITDA in the first half of 2024 amounted to CZK 1,980.8 million, which is up by 35.3% y-o-y if compared with the Adjusted EBITDA for the same six months in 2023. The largest one-off items were expenses related to the employee stock option plan and one-off expenses connected with the acquisition of Sellier & Bellot. In addition, the Adjusted EBITDA was boosted by the strong second quarter of 2024, which grew by more than 205% q-o-q. If compared to the published guidance of CZK 1.65 - 1.8 billion in the first six months of 2024, which the Company published at the end of May 2024, the actual Adjusted EBITDA exceeded the guidance by more than 10%.

Interest Income and other Financial Income

Interest income declined by 27.7% y-o-y to CZK 418.0 million for six months ended 30 June 2024, compared to six months ended 30 June 2023. This increase was primarily related to lower market interest rates. Other financial income decreased by 35.3% to CZK 85.5 million.

Interest Expense and other Financial Expenses

Interest expense went up by 21.4% to CZK 558.4 million for six months ended 30 June 2024, compared to the same period in 2023. This was due to new financing related to the acquisition of Sellier & Bellot. Other financial expenses slightly declined by 6.6% y-o-y to CZK 13.9 million for six-months ended 30 June 2024. Gains from derivative transactions reached CZK 243.2 million in the first half of 2023, which was down by 94.3% y-o-y, due to the adverse impact of FX rates.

On April 18, 2024, the Company's Board of Directors approved an increase in the volume of the outstanding COLTCZ VAR/30 bond issue in the amount of CZK 1,071,000 thousand. The increase in the volume of the current issue is in accordance with the Prospectus issued on 18 May 2023, which allows for an increase in the issue volume to a maximum amount of CZK 3,000,000 thousand.

In connection with the acquisition of a 100% stake in Sellier & Bellot a.s., on 7 May 2024, the Group signed credit agreement under which it can draw a loan of up to EUR 485 million. Between 16 May 2024 and 30 May 2024, the Group drewdown EUR 440 million (CZK 10,877,495 thousand). Simultaneously, the Group repaid a bridge loan provided by Komerční banka a.s. in the amount of EUR 91 million (CZK 2,255,639 thousand).

Profit Before Tax

Profit before tax decreased by 41.2% to CZK 794.8 million for six months ended 30 June 2024, compared to six months ended 30 June 2023, due to the impact of financial operations, cost associated to share based payment related to the employee stock option plan, the increase in depreciation and amortisation related to the acquisition of Sellier & Bellot and the revaluation of inventory also related to this acquisition.

Income Tax

Income tax for six months ended 30 June 2024 decreased by 39.5% to CZK 185.2 million, compared to six months ended 30 June 2023, driven by lower pre-tax profit. The effective tax rate increased slightly to 23.3% in the first half of 2024, compared to 22.6% in the first half of 2023.

Profit for the Period / Adjusted Profit for the Period

Profit for six months ended 30 June 2024 slightly decreased by 41.7% to CZK 609.6 million, compared to six months ended 30 June 2023, due to the impact of financial operations cost associated to share based payment related to the employee stock option plan, the increase in depreciation and amortisation related to the acquisition of Sellier & Bellot and the revaluation of inventory also related to this acquisition.

Profit for the period after tax, adjusted for extraordinary items, decreased by 15.3% to CZK 1,015.1 million for six months ended 30 June 2024, compared to the same period in 2023.

Capital expenditures

The capital expenditures of the Group in the first half of 2024 reached CZK 382.5 million, a 62.2% more yoy, which corresponds to a 3.9% share of the 6M 2024 revenues.

4.3 Strategy and Outlook

Outlook for the Second Half of 2024

Guidance for 2024 of Colt CZ Group will be further influenced by several external factors that affected the Group's financial results last year. These are primarily 1) The development of demand on global markets, in the USA and in the Czech Republic (also in the context of the ongoing conflict in Ukraine), 2) Further inflationary pressures on the cost side, and 3) Impact of the exchange rate of USD and EUR into CZK. In addition, the outlook for financial results in 2024 will be influenced by the acquisition of Sellier & Bellot. The outlook will therefore be reviewed in the course of 2024, depending on the development of financial results of today's Group, as well as the new acquisition.

In the context of financial results for the first six months of 2024, and development as of the date of this report, the Company **confirms** its guidance for the full year of 2024, including the results of this year's acquisition of Sellier & Bellot.

In 000' CZK	Guidance	y-o-y change in %
Colt CZ Group standalone		
Revenues	16,200 – 17,800	9.0% – 19.8%
Adjusted EBITDA	3,300 – 3,800	8.3% – 24.7%
Colt CZ Group with expected contribution of Sellier & Bellot		
Revenues	20,000 – 22,000	34.6% – 48.1%
Adjusted EBITDA	4,300 – 4,700	41.1% – 54.2%
Colt CZ Group with Sellier & Bellot pro-forma FY 2024		
Revenues	23,000 – 25,000	54.8% – 68.3%
Adjusted EBITDA	5,200 – 5,600	70.6% – 83.7%

The capital expenditures of the Group in 2024 could reach CZK 1 – 1.2 billion, which corresponds to a roughly 5% share of the 2024 expected revenues and which is in line with the medium-term target of the Company.

4.4 Impact of the Russian Invasion of Ukraine on the Group in the First Half of 2024

On 24 February 2022, Russia invaded Ukraine. This invasion is part of the Russian military intervention in Ukraine and the culmination of the Russian-Ukrainian crisis. After the first few weeks of the conflict, the Russian invasion of Ukraine became the largest military operation in Europe since WWII. Responding to the Russian invasion of Ukraine, the EU adopted several measures and imposed sanctions against Russia and Belarus, complementing existing sanctions and restrictions imposed by the EU since 2014. Revenues from the sale of the Group's products to countries sanctioned by the EU (Russia, Belarus) represented approximately 0.2% of the total volume of sales prior to the Russian invasion.

With regard to the impact on individual Group operations, the Czech Republic was more affected than North America, principally due to its dependency on the supply of Russian natural gas. The largest impact was comprised of the steep growth of electricity, gas, and fuel prices, as well as price increases of other input commodities. Despite the government price cap, energy prices are much higher than prior to the Russian invasion. The Group immediately responded and mapped potential risks related to embargoes, the growth of energy prices, and the lack of input materials.

However, the war in Ukraine itself did not affect the Group's performance more than, for example, the decline of the commercial market in the USA, which affected the Group's sales during 2023. The production facilities in North America, specifically in the USA and Canada, have not been directly impacted by the Russian invasion of Ukraine in the first half of 2024.

The current security situation and the armed conflict in Ukraine provided the Group with new opportunities from M/LE customers which were previously described in more detail in chapter 5.2.1 of the Annual Financial Report for 2023³. MLE market - Projects related to assistance to Ukraine. The Group also sees future business opportunities in connection with the conflict in Ukraine in the production and sale of ammunition. In February 2024, Česká zbrojovka signed an Agreement of Intent with the Ukrainian state company Ukroboronprom for the assembly of CZ BREN 2 rifles in Ukraine. The goal of the project is to equip the Ukrainian armed forces with proven, high-quality NATO-standard firearms and thus increase their operational capabilities.

In July 2024, the Group's subsidiaries, CZUB and Sellier & Bellot, signed contracts with the Ukrainian state company Ukroboronprom as part of the Czech-Ukrainian intergovernmental consultations. Sellier & Bellot and Ukroboronprom have agreed to cooperate in the production of multiple types of small-caliber ammunition in Ukraine, when Sellier & Bellot will supply the Ukrainian side with technology for the production of ammunition. Česká zbrojovka, following the Agreement of Intent with Ukroboronprom from February 2024, signed a transfer of technology contract for the assembly of CZ BREN 2 rifles in Ukraine.

³ <https://www.coltczgroup.com/file/1163>

5. BASIC INFORMATION ABOUT COLT CZ GROUP SE

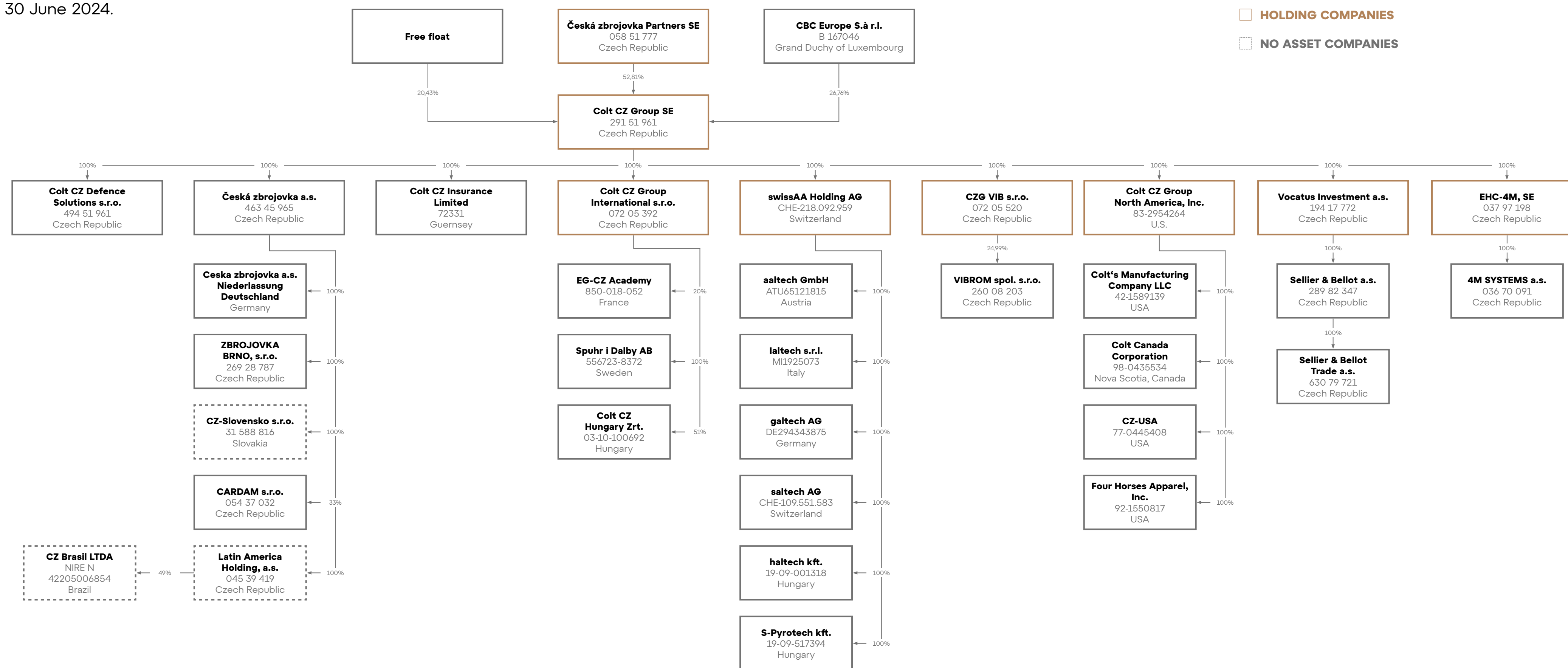
BASIC INFORMATION ABOUT THE COMPANY

Legal name:	Colt CZ Group SE
Legal form:	European Company (Societas Europaea – SE)
Address:	náměstí Republiky 2090/3a, 110 00 Prague 1
Commercial Register:	Maintained by the Municipal Court in Prague, file number 962, section H
ID. no.:	291 51 961
Tax ID. no.:	CZ29151961
LEI:	315700O990GR61YDGF96
Phone no.:	+420 222 814 617
Email:	info@coltczgroup.com
Date of incorporation:	2013
Web:	www.coltczgroup.com

According to Article of Association no. 2, the Company's scope of business and activities include a) The management of its own assets, b) Manufacturing, trade, and services other than those listed in Annex 1 through 3 of the Trade Licensing Act, and c) Accounting advisory, bookkeeping, and tax accounting.

5.1 Ownership Structure, Organization and Corporate Governance of the Group in the First Half of 2024

The following chart shows the Group structure as at 30 June 2024.



Ownership structure and Changes in the Company's equity in the First Half of 2024

As of 30 June 2024, the majority shareholder was Česká zbrojovka Partners SE with a 75.4% stake, a 26.8% stake was owned by CBC, and 20.4% was free float.

On 16 May 2024, the Company's share capital increased by CZK 1,347,644 with the issue of 13,476,440 new book-entry shares. The shares, which were subscribed in the capital increase based on the authorization of the Company's Board of Directors, had been offered for a subscription to the pre-selected prospective buyer CBC, i.e., without the exercise of the pre-emptive right and solely in connection with the provision of consideration in the settlement of the acquisition of a 100% stake in Sellier & Bellot. The increase of the share capital was approved by the Company's Board of Directors based on prior authorization by the General Meeting. CBC thus acquired a 27.7% stake in the share capital of Colt CZ Group. The issue price of one new share was determined by a price mechanism based on the audited financial results for 2023 of Colt CZ and Sellier & Bellot, and equals EUR 24.1066⁴ per share. The Prospectus in connection with the issue of new shares will be available on the Company's website⁵. The new tranche of shares will be accepted for trading on the Prague Stock Exchange.

On 26 June 2024, the Company increased its share capital by CZK 173,510 by issue of 1,735,100 new book-entry shares. The increase of the share capital was approved by the Company's Board of Directors based on prior authorization by the General Meeting. The share capital was increased in connection with the performance of the Company's share option plan. The new shares will carry the same rights as the existing shares.

Changes in the Company's Statutory Bodies in the First Half of 2024

A CBC representative, Mr. Daniel Birmann, was appointed as a member of the Supervisory Board based on the Nomination Agreement made on 16 May 2024 between Colt CZ Group SE and CBC. His nomination was subsequently confirmed by the decision of the General Meeting of Shareholders held in June 2024. For the last few decades, Mr. Birmann has accompanied the success of CBC Global Ammunition Group as a member of the shareholding family, holding different managerial positions. His extensive experience in the small arms and ammunition sector makes him an expert in the field.

There were no other changes in the Company's statutory bodies in the first half of 2024.

Decision on Profit Distribution for 2024 and Dividend Payment

In June 2024, the General Meeting of the Company decided outside the General Meeting (per rollam decision) to distribute the profit for 2023 and pay a dividend.

Calculation of the share of profits per share is based on the total number of shares issued by the Company. The dividend for 2023 amounts to CZK 30 per share before tax. Under the terms of the Czech legislation, the relevant tax will be withheld (deducted) by the Company before the payout is made. The recorded date for exercising the right to a share in the profit was 4 July 2024, which means that the right to share in the profit will be enjoyed by persons who are shareholders of the Company as of the record date.

⁴ CZK equivalent of issue price based on the Czech National Bank FX rate fixing on May 16, 2024

⁵ <https://www.coltczgroup.com/file/1226>

Shareholders had the choice of whether or not to receive a share of profit in the form of new shares in the Company.

The right to receive a share of profit in the form of the Company's shares may be exercised by the Company's shareholders who had the right to a share of profit as of the recorded date of 4 July 2024 and their share in profit equals at least to the issue price of one new share after deduction of the relevant withholding taxes.

The Board of Directors of the Company determined the issue price of one new share as CZK 570. The remaining portion of the shareholder's share of the profits after deduction of applicable withholding taxes, for which it is not possible to subscribe for a new, whole share of the Company, will be paid in cash to the shareholder of the Company. A shareholder of the Company could only exercise the right to choose their profit in the form of new, whole share of the Company. If shareholders of the Company did not choose to receive a distribution in the form of new shares, the shareholders did not need to take any action and will automatically receive a cash dividend.

The right of the Company's shareholders to choose a share of profit in the form of the Company's shares may be exercised within the period from 29 July 2024 (inclusive) to 12 August 2024 (inclusive).

5.2 Transactions with Related Parties

The Group's related parties include subsidiaries and associated companies, as well as key management personnel and their family members. Transactions that the Group ensures for related parties primarily include trade receivables and provided loans, while costs of transactions with related parties include remuneration to members of the Supervisory Board and Board of Directors, together with trade payables. Transactions with related parties are part of normal business activities and are implemented at arm's length.

During the six-month period ended 30 June 2024, the Company conducted the following transactions with related parties:

Key management personnel:

During the six-month period ended 30 June 2024, key management included all members of the Board of Directors and Supervisory Board. Short-term benefits provided to key management (including gross remuneration, annual bonuses, health and social insurance, and additional pension insurance) amounted to CZK 23,093 thousand.

The Company further provided an Employee Share Option Plan (ESOP), as described in note 15 to the financial statements, to selected key management personnel. The Company provided no other benefits (e.g., monetary or non-monetary benefits related to a member's termination of office from a body) to its key management personnel.

The Company had the following receivables and transactions with its related parties during the six-month period ended 30 June 2024:

Keriani, a.s.:

As at 30 June 2024, the Company had receivables from and payables to Keriani, a.s. of CZK 2,029 thousand and CZK 608 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services from Keriani, a.s. amounting to CZK 2,919 thousand.

CZ-SKD Solutions a.s.:

As at 30 June 2024, the Company had receivables from and payables to CZ-SKD Solutions a.s. of CZK 3,886 thousand and CZK 1,050 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 3,351 thousand from CZ-SKD Solutions a.s. and provided services of CZK 380 thousand.

CZ-AUTO SYSTEMS a.s.:

As at 30 June 2024, the Company had receivables from and payables to CZ-AUTO SYSTEMS a.s. of CZK 12,487 thousand and CZK 1,122 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 3,412 thousand from CZ-AUTO SYSTEMS a.s. and provided services of CZK 39,304 thousand.

ITeuro, a.s.:

As at 30 June 2024, the Company registered services purchased from ITeuro, a.s. in the amount of CZK 3,173 thousand and provided services in the amount of CZK 244.

New Lachaussée S.A.:

As at 30 June 2024, the Company had payables to New Lachaussée S.A. in the amount of CZK 4,078 thousand. During the six-month period ended 30 June 2024, the Company purchased services from New Lachaussée S.A. in the amount of CZK 859.

Fritz Werner Industrie-Ausrüstungen GmbH:

As at 30 June 2024, the Company had receivables from and payables to Fritz Werner Industrie-Ausrüstungen GmbH of CZK 25,348 thousand and CZK 260 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 625 thousand from Fritz Werner Industrie-Ausrüstungen GmbH and provided services of CZK 0 thousand.

Magtech Ammunition Company, Inc.:

As at 30 June 2024, the Company had receivables from and payables to Magtech Ammunition Company, Inc. of CZK 352,234 thousand and CZK 0 thousand, respectively. During the six-month period

ended 30 June 2024, the Company purchased services of CZK 90 thousand from Magtech Ammunition Company, Inc. and provided services of CZK 198,398 thousand.

Companhia Brasileira de Cartuchos S.A.:

As at 30 June 2024, the Company had receivables from and payables to Companhia Brasileira de Cartuchos S.A. of CZK 3,385 thousand and CZK 0 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 7 thousand from Companhia Brasileira de Cartuchos S.A. and provided services of CZK 2,759 thousand.

Metallwerk Elisenhütte GmbH:

As at 30 June 2024, the Company had receivables from and payables to Metallwerk Elisenhütte GmbH of CZK 19,951 thousand and CZK 0 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 154 thousand from Metallwerk Elisenhütte GmbH and provided services of CZK 22,311 thousand.

Taurus Armas S.A.:

As at 30 June 2024, the Company had receivables from Taurus Armas S.A. in the amount of CZK 2,717 thousand.

CBC AMMO LLC:

During the six-month period ended 30 June 2024, the Company provided services of CZK 12,673 thousand to CBC AMMO LLC.

CBC Global Ammunition LLC:

During the six-month period ended 30 June 2024, the Company purchased services of CZK 7,086 thousand from CBC Global Ammunition LLC.

CBC Europe S.à r.l.:

During the six-month period ended 30 June 2024, the Company purchased services of CZK 495 thousand from CBC Europe S.à r.l.

VIBROM spol. s r.o.:

As at 30 June 2024, the Company had receivables from and payables to VIBROM spol. s r.o. of CZK 9,149 thousand and CZK 31,055 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 74,375 thousand from VIBROM spol. s r.o. and provided services of CZK 1,456 thousand.

CARDAM s.r.o.:

As at 30 June 2024, the Company had receivables from and payables to CARDAM s.r.o. of CZK 0 thousand and CZK 348 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 1,751 thousand from CARDAM s.r.o. and provided services of CZK 288 thousand.

CZ BRAZIL, LTDA:

As at 30 June 2024, the Company had receivables from CZ BRAZIL, LTDA in the amount of CZK 1,051 thousand.

Colt CZ Hungary Zrt.:

As at 30 June 2024, the Company had receivables from and payables to Colt CZ Hungary Zrt. of CZK 26,559 thousand and CZK 295 thousand, respectively. During the six-month period ended 30 June 2024, the Company purchased services of CZK 732 thousand from Colt CZ Hungary Zrt. and provided services of CZK 11,926 thousand.

EG-CZ Academy:

As at 30 June 2024, the Company had payables to EG-CZ Academy of CZK 248 thousand. During the six-month period ended 30 June 2024, the Company purchased services of CZK 375 thousand from EG-CZ Academy.

A complete overview of transactions with related parties is shown in note 21 to the financial statements.

5.3 Subsequent Events

A summary of subsequent events is presented in note 24 in Notes to condensed consolidated interim financial statements.

6. DECLARATION OF PERSONS RESPONSIBLE FOR THE SEMI-ANNUAL FINANCIAL REPORT

To the best of our knowledge, we believe that the condensed consolidated financial statements for the period of the first six months of 2024 until 30 June 2024 give a fair and true view of the assets, liabilities, financial position, and financial performance of the issuer and its consolidated group, and the description according to Article 119 (2) (b) of the Act no. 256/2004 Coll., on Capital Market Business, provides a true overview of required information according to (b).

Prague, 5 September 2024

On behalf of the Board of Directors of Colt CZ Group SE signed by:



Jan Drahota
Chairman of the Board of Directors



Josef Adam
Vice-Chairman of the Board of Directors

7. ALTERNATIVE PERFORMANCE MEASURES

This report contains certain financial measures that are not defined or recognized under IFRS and which are considered to be alternative performance measures as defined in the ESMA Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (the "Alternative Performance Measures"). This report presents the following Alternative Performance Measures: EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, net profit margin, adjusted net profit, adjusted net profit margin, adjusted net earnings per share, and net financial debt and net leverage ratio. The Company uses the Alternative Performance Measures because they serve its management as key measures in assessing the Group's operating performance. Further, management believes that the presentation of the Alternative Performance Measures is helpful to prospective investors because these, as well as other similar measures and related ratios are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures, and working capital requirements. Management also believes that the presentation of Alternative Performance Measures facilitates operating performance comparisons on a period-to-period basis to exclude the impact of items which management does not consider being indicative of the Group's core operating performance.

The Alternative Performance Measures are not sourced directly from the financial statements, but are derived from the financial information contained therein. These measures have not been audited or reviewed by an independent auditor. They are not defined in the IFRS and should neither be treated as metrics of financial performance or operating cash flows nor deemed an alternative to information about profit. The Alternative Performance Measures should only be read as additional information to, and not as a substitute for or superior to, the financial information prepared in accordance with the IFRS. The Alternative Performance Measures should not be given more prominence than measures

sourced directly from the financial statements. The Alternative Performance Measures should be read in conjunction with the financial statements. There are no generally accepted principles governing the calculation of the Alternative Performance Measures. The criteria upon which the Alternative Performance Measures are based can vary from company to company, limiting the usefulness of such measures as comparative measures. Even though the Alternative Performance Measures are used by management to assess the Group's financial results, and are commonly used by investors, they have important limitations as analytical tools and by themselves do not provide a sufficient basis to compare the Company's performance to that of other companies and should not be considered in isolation or as a substitute to the revenue, profit before tax or cash flows from operations calculated in accordance with IFRS to analyze the Group's position or results. The Alternative Performance Measures have limitations as analytical tools, such as:

- ▶ They do not reflect the Group's cash expenditures or future requirements for capital expenditures or contractual commitments.
- ▶ They do not reflect changes in, or cash requirements for, the Group's working capital needs.
- ▶ They do not reflect the significant interest expense or related cash requirements, to service interest or principal payments on the Group's debt.
- ▶ Although depreciation and amortization are non-monetary charges, the assets being depreciated and amortized will often need to be replaced in the future and the Alternative Performance Measures do not reflect any cash requirements that would be required for such replacements.

Alternative Performance Measures

- ▶ Some of the exceptional items the Company eliminates in calculating the Alternative Performance Measures reflect cash payments that were or will be made in the future.
- ▶ Other companies in the Group's industry may calculate the Alternative Performance Measures differently than the Company, which limits their usefulness as comparative measures.
- ▶ The terms used for alternative measures may not have the same or similar meaning as other terms, which may be defined in other documentation for other financial liabilities of the Group.
- ▶ Alternative measures presented in this half year financial report may differ from alternative measures in annual and semi-annual financial reports from previous periods. To assess the Group's financial performance, the Company uses such Alternative Performance Measures that it deems relevant and indicative of its financial position in a given year.

Alternative Performance Measures

(CZK thousands, unless otherwise indicated)	For six months ended 30 June	
	2024	2023
EBITDA ⁽¹⁾	1,459,595	1,298,152
EBITDA margin ⁽²⁾	15.1%	18.9%
Adjusted EBITDA ⁽³⁾	1,980,758	1,464,196
Adjusted EBITDA margin ⁽⁴⁾	20.4%	21.3%
Net income margin ⁽⁵⁾	6.3%	15.2%
Adjusted net profit ⁽⁶⁾	1,015,079	1,198,473
Adjusted net profit margin ⁽⁷⁾	10.5%	17.5%
Adjusted net earnings per share (CZK) ⁽⁸⁾	24.8	34.6

⁽¹⁾ The Group's management considers EBITDA a key performance indicator in evaluating the Group's business. As described above, EBITDA is not a measure of performance defined or recognized under IFRS. The Group calculates EBITDA based on the figures included in the interim financial statements. EBITDA is defined as post-tax profit for the monitored period, plus income tax less other financial revenues, plus other financial expenses less interest revenue, plus interest expense, less share of profit of associates, and profit from investments in associated companies after tax, adjusted by gains or losses from derivatives operations, and plus depreciation and amortization. All items of the EBITDA calculation are based on the consolidated statement of profit or loss and statement of comprehensive income in the interim financial statements and the unaudited interim financial statements.

⁽²⁾ An EBITDA margin is defined as EBITDA divided by revenues from the sale of the Group's own products, goods, and services expressed as a percentage. All items of the EBITDA margin calculation are based on the consolidated statement of profit or loss and statement of comprehensive income in the interim financial statements and the unaudited interim financial statements.

⁽³⁾ Adjusted EBITDA for the first half of 2024 is defined as EBITDA less one-off items related to unrealized acquisitions, payments related to the employee stock option plan, and one-off expenses connected with the acquisition of Sellier & Bellot – inventory step up and commodity hedging. Adjusted EBITDA for the first half of 2023 is defined as EBITDA less one-off items related to unrealized acquisitions and payments related to the employee stock option plan. Expenses on professional advisors and expenses associated with unrealized acquisitions are presented under "Services" in the consolidated statement of profit or loss and other comprehensive income of the interim financial statements. The ESOP related costs are included in the consolidated statement of profit or loss and statement of comprehensive income, under "Personnel costs" and "Other operating expenses".

(CZK thousands, unless otherwise indicated)	As at 30 June 2024	As at 31 December 2023
Net financial debt at the end of the period ⁽⁹⁾	15,642,424	7,464,691
Net leverage ratio (x) ⁽¹⁰⁾	3.16	2.80

⁽⁴⁾ Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenues from the sale of the Group's own products, goods, and services expressed as a percentage. All items of the adjusted EBITDA margin calculation are based on the consolidated statement of profit or loss and statement of comprehensive income.

⁽⁵⁾ Net income margin is defined as profit for the period as a percentage of revenue from the sale of the Group's own products, goods, and services, each as shown in the consolidated statement of profit or loss and other comprehensive income in the interim financial statements and the unaudited interim financial statements.

⁽⁶⁾ In the first half 2024, net profit was adjusted by one-off items related to unrealized acquisitions, payments related to the employee stock option plan, and one-off expenses connected with the acquisition of Sellier & Bellot – inventory step up and cost related to the bond issue and bank fees related with acquisition loan. In the first half of 2023, net profit was adjusted by one-off items related to acquisitions and payments related to the employee stock option plan, cost of revaluation of equity earnout related to the Colt acquisition, and by financing costs related to a bond issue that are not related to operational performance and value creation in the given period. One-off costs of the issue of bonds are included in the consolidated statement of profit or loss and statement of comprehensive income, under "Other financial expenses".

⁽⁷⁾ Adjusted net income margin is defined as adjusted profit for the period as a percentage of revenue from the sale of the Group's own products, goods, and services as shown in the consolidated statement of profit or loss and other comprehensive income in the interim financial statements and the unaudited interim financial statements.

⁽⁸⁾ The Group calculated adjusted net earnings per share as adjusted net profit for the period divided by an average number of shares issued by the Company. All items of the adjusted net earnings per share are based on the consolidated statement of profit or loss and statement of comprehensive income.

⁽⁹⁾ The Group defines net financial debt as long-term and short-term bank bonds, loans, and borrowings and lease payables (non-current and current), less cash and cash equivalents and other financial assets as reported in the audited financial statements and the unaudited interim financial statements. Net financial debt is used by the Group to assess its indebtedness to financial institutions, including banks, lease companies, and bond investors.

⁽¹⁰⁾ Net leverage ratio is defined as the ratio of net financial debt at the end of the period to EBITDA for the last twelve months.

Alternative Performance Measures

THE FOLLOWING TABLE SETS FORTH THE GROUP'S NET FINANCIAL DEBT FOR THE PERIODS INDICATED:

(CZK thousands)	As at 30 June 2024	As at 31 December 2023
Bonds, bank loans and borrowings (long-term and short-term)	20,566,255	11,614,284
Lease payables (current and non-current)	84,003	87,671
Less: Cash and cash equivalents and other financial assets	4,997,834	4,237,264
Net financial debt at the end of the period	15,642,724	7,464,691

THE FOLLOWING TABLE PROVIDES A COMPARISON OF EBITDA AND ADJUSTED EBITDA FOR THE PERIODS:

(CZK thousands)	For six-months ended 30 June	
	2024	2023
Post-tax profit for the period	609,618	1,046,155
Income tax	185,170	305,918
Interest revenue	(418,014)	(578,505)
Interest expense	558,422	459,812
Depreciation and amortization	560,821	373,433
Other financial revenues	(85,496)	(132,098)
Other financial expenses	63,837	68,343
Profit/loss from derivative transactions	(13,854)	(243,241)
Share of profit of associates after tax	(909)	(1,665)
EBITDA	1,459,595	1,298,152
One-off expenses for services related to acquisition	962	4,865
ESOP related costs	382,185	161,179
One-off expenses connected with the acquisition of Sellier & Bellot – inventory step up	110,000	–
One-off expenses connected with the acquisition of Sellier & Bellot – commodity hedging	28,016	–
Adjusted EBITDA	1,980,758	1,464,196

Alternative Performance Measures

THE FOLLOWING TABLE PROVIDES THE CALCULATION OF ADJUSTED NET INCOME AND ADJUSTED NET EARNINGS PER SHARE:

(CZK thousands/per share)	For six months ended 30 June	
	2024	2023
Profit before tax	794,788	1,352,073
One-off expenses for services related to acquisitions	962	4,865
ESOP related costs	382,185	161,179
One-off expenses connected with the acquisition of Sellier & Bellot – inventory step up	110,000	–
One-off financial expenses related to the acquisition loan	30,634	–
One-off financial expenses related to the issue of bonds	4,838	3,997
Revaluation of earn-out	–	26,818
Tax effect on the adjustment	(308,328)	(350,459)
Numerator		
Profit attributable to the owner of the parent company	1,015,079	1,198,473
Denominator		
Number of shares issued	40,976	34,631
Adjusted net earnings per share (CZK per share) attributable to the owner of the parent company	24.8	34.6

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (UNAUDITED)

Name of the company:	Colt CZ Group SE
Registered office:	náměstí Republiky 2090/3a, Nové Město, 110 00 Prague 1, Czech Republic
Legal form:	European Company
Id. no.:	291 51 961

Components of the condensed consolidated interim financial statements:

- ▶ Consolidated statement of profit and loss and other comprehensive income
- ▶ Consolidated statement of financial position
- ▶ Consolidated statement of changes in equity
- ▶ Consolidated cash flow statement
- ▶ Notes to condensed consolidated interim financial statements

These condensed consolidated interim financial statements were prepared and approved on 11 September 2024.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Revenues from the sale of own products, goods and services	9.1	9,690,015	6,860,236
Other operating income		67,122	51,590
Change in inventories developed internally		217,161	408,960
Own work capitalized		406,861	92,814
Raw materials and consumables used		(5,453,456)	(3,599,095)
Services		(1,098,262)	(832,362)
Personnel costs		(2,226,294)	(1,522,398)
Depreciation and amortization		(560,821)	(373,433)
Other operating expenses		(164,827)	(125,600)
Allowances		21,275	(35,993)
Operating profit		898,774	924,719
Interest income	10.1	418,014	578,505
Interest expense	10.1	(558,422)	(459,812)
Other financial income	10.1	85,496	132,098
Other financial expenses	10.1	(63,837)	(68,343)
Gains or losses from derivative transactions	10.1	13,854	243,241
Share in the profit of associates after tax		909	1,665
Profit before tax		794,788	1,352,073
Income tax	10.2	(185,170)	(305,918)
Profit for the period		609,618	1,046,155

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Items that may be subsequently reclassified to the statement of profit or loss			
Cash flow hedges – remeasurement of effective portion of hedging instruments		(179,440)	(5,520)
Foreign currency translation of foreign operations		25,528	1
Other comprehensive income		(153,912)	(5,519)
Comprehensive income for the period		455,706	1,040,636
Profit for the period attributable to:			
Owner of the parent company		609,618	1,046,155
Comprehensive income for the period attributable to:			
Owner of the parent company		455,706	1,040,636
Net earnings per share attributable to the owner of the parent company (CZK per share)			
Basic	22	15	30
Diluted	22	15	30

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Note	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
ASSETS			
Non-current assets			
Intangible assets	11	11,016,408	3,413,881
Goodwill	9	8,177,929	2,547,480
Property, plant and equipment	12	9,464,243	4,281,449
Advance for acquisition of financial investment		-	2,690,040
Equity-accounted securities and investments	18	45,480	40,795
Financial derivatives	19	942,887	1,013,168
Provided loans		18,773	-
Trade and other receivables		27,753	61,891
Other receivables		2,576	2,556
Deferred tax assets		6,945	21,245
Total non-current assets		29,702,994	14,072,505

	Note	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
Current assets			
Inventories	13	7,889,817	5,298,077
Trade and other receivables		3,509,015	1,774,947
Provided loans		494	-
Other financial assets		-	908,580
Financial derivatives	19	130,922	149,047
Other receivables		353,772	351,165
Tax receivables		127,566	93,751
Cash and cash equivalents		4,997,834	3,328,684
Total current assets		17,009,420	11,904,251
Total assets		46,712,414	25,976,756

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	Note	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
EQUITY AND LIABILITIES			
Capital and reserves			
Registered capital		5,037	3,516
Share premium		9,970,661	1,942,818
Capital funds		1,641,512	1,641,512
Cash flow hedge reserve		420,376	599,816
Foreign exchange translation reserve		(117,160)	(142,688)
Accumulated profits		4,683,262	5,229,872
Equity attributable to the owner of the Company		16,603,688	9,274,846
Non-controlling interests		-	-
Total equity		16,603,688	9,274,846
Non-current liabilities			
Bonds, bank loans and borrowings	17	18,942,121	9,040,540
Financial derivatives	19	252,193	244,169
Lease liabilities		58,685	62,052
Trade and other payables		53,133	42,022
Other payables		12,549	14,569
Provisions	14	116,461	76,188
Deferred tax liability		3,091,771	722,783
Employee benefit liabilities	16	260,845	255,721
Total non-current liabilities		22,787,758	10,458,044

	Note	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
Current liabilities			
Bonds, bank loans and borrowings	17	1,614,134	2,573,744
Financial derivatives	19	17,477	11,038
Lease liabilities		25,318	25,619
Other financial liabilities	19	46,120	44,580
Trade and other payables		3,512,058	1,746,796
Other payables		1,898,214	1,655,094
Provisions	14	49,578	30,084
Tax liabilities		140,041	142,084
Employee benefit liabilities	16	18,028	14,827
Total current liabilities		7,320,968	6,243,866
Total liabilities		30,108,726	16,701,910
Total equity and liabilities		46,712,414	25,976,756

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS ENDED 30 JUNE

CZK '000	Share capital	Share premium	Capital funds	Cash flow hedge reserve	Foreign exchange translation reserve	Accumulated profits	Equity attributable to the owner of the parent company	Non-controlling interests	Total equity
Balance at 31 December 2022	3,410	1,366,386	1,641,512	1,068,214	(326,433)	3,928,282	7,681,371	-	7,681,371
Profit for the period	-	-	-	-	-	2,042,538	2,042,538	-	2,042,538
Other comprehensive income	-	-	-	(468,398)	183,745	-	(284,653)	-	(284,653)
Total comprehensive income for the period	-	-	-	(468,398)	183,745	2,042,538	1,757,885	-	1,757,885
Dividends	-	-	-	-	-	(1,034,016)	(1,034,016)	-	(1,034,016)
Issue of shares	106	576,432	-	-	-	-	576,538	-	576,538
Share-based payments	-	-	-	-	-	293,068	293,068	-	293,068
Balance at 31 December 2023	3,516	1,942,818	1,641,512	599,816	(142,688)	5,229,872	9,274,846	-	9,274,846
Profit for the period	-	-	-	-	-	609,618	609,618	-	609,618
Other comprehensive income	-	-	-	(179,440)	25,528	-	(153,912)	-	(153,912)
Total comprehensive income for the period	-	-	-	(179,440)	25,528	609,618	455,706	-	455,706
Dividends	-	-	-	-	-	(1,511,069)	(1,511,069)	-	(1,511,069)
Issue of shares	1,348	8,027,843	-	-	-	-	8,029,191	-	8,029,191
Share-based payments	173	-	-	-	-	354,840	355,013	-	355,013
Balance at 30 June 2024	5,037	9,970,661	1,641,512	420,376	(117,160)	4,683,262	16,603,688	-	16,603,688

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS ENDED 30 JUNE

CZK '000	Share capital	Share premium	Capital funds	Cash flow hedge reserve	Foreign exchange translation reserve	Accumulated profits	Equity attributable to the owner of the parent company	Non-controlling interests	Total equity
Balance at 31 December 2022	3,410	1,366,386	1,641,512	1,068,214	(326,433)	3,928,282	7,681,371	-	7,681,371
Profit for the period	-	-	-	-	-	1,046,155	1,046,155	-	1,046,155
Other comprehensive income	-	-	-	(5,520)	1	-	(5,519)	-	(5,519)
Total comprehensive income for the period	-	-	-	(5,520)	1	1,046,155	1,040,636	-	1,040,636
Dividends	-	-	-	-	-	(1,034,016)	(1,034,016)	-	(1,034,016)
Issue of shares	37	213,658	-	-	-	-	213,695	-	213,695
Share-based payments	-	-	-	-	-	151,029	151,029	-	151,029
Balance at 30 June 2023	3,447	1,580,044	1,641,512	1,062,694	(326,432)	4,091,450	8,052,715	-	8,052,715

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTHS ENDED 30 JUNE 2024

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Cash flows from principal economic activity (operating activity)			
Profit from ordinary activity before tax		794,788	1,352,073
Depreciation/amortization of non-current assets	11, 12	560,821	373,433
Change in allowances and provisions	13, 14	24,940	25,189
Profit from the sale of non-current assets		(1,392)	(1,794)
Interest expense and interest income		140,408	(118,693)
Share in the profit of associates	18	(909)	(1,665)
Unrealized foreign exchange gain and losses		(133,551)	253,951
Contingent consideration – remeasurement	19	-	26,618
Partial earnout settlement		-	213,695
Other financial assets – remeasurement	9	(113,402)	(101,916)
Cash flow hedging – remeasurement of the effective portion of hedging instruments		(179,440)	(5,520)
Share-based payments	15	355,013	151,029
Adjustments for other non-cash transactions	10.1	31,380	18,815
Net operation cash flows before changes in working capital		1,478,656	2,185,215

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Change in working capital			
Change in receivables and deferrals		(189,676)	(33,870)
Change in liabilities and accruals		(161,031)	(1,056,003)
Change in inventories	13	(80,062)	(838,290)
Cash flow from operating activities		1,047,887	257,052
Paid interest	10.1	(525,585)	(443,913)
Interest received	10.1	429,610	568,606
Income tax paid for ordinary activity	10.2	(521,795)	(206,039)
Net cash flow from operating activities		430,117	175,706

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTHS ENDED 30 JUNE 2024

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Cash flows from investing activities			
Acquisition of non-current assets	11, 12	(382,502)	(235,843)
Proceeds from the sale of non-current assets		1,392	(1,814)
Acquisition of subsidiaries – opening balance	22	(5,231,350)	-
Acquisition of subsidiaries – cash and cash equivalents	22	443,521	-
Acquisition of equity-accounted securities and investments		(3,777)	(1,212)
Proceeds from sale of other financial assets		1,021,982	-
Investments in subsidiaries in acquisition process		-	(724,200)
Provided loans		(18,979)	7,700
Net cash flow from investing activities		(4,169,713)	(955,369)

	Note	30 Jun 2024 CZK '000	30 Jun 2023 CZK '000
Cash flows from financing activities			
Proceeds from issue of bonds		276,000	1,917,756
Proceeds from drawdown of loans	17	10,794,456	10,635
Repayment of loans	17	(5,701,746)	(1,757)
Repayment of leases		(12,966)	-
Net cash flow from financing activities		5,355,744	1,926,634
Net change in cash and cash equivalents		1,616,148	1,146,971
Opening balance of cash and cash equivalents		3,328,684	2,825,781
Effect of exchange rate on cash and cash equivalents		53,002	(32,104)
Closing balance of cash and cash equivalents		4,997,834	3,940,648

Notes are an integral part of these consolidated interim financial statements.

COLT CZ GROUP SE

Condensed consolidated interim financial statements
for the six-month period from 1 January
to 30 June 2024 prepared in accordance
with IFRS Accounting Standards as
adopted by the European Union
(unaudited)

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1. PARENT COMPANY

Colt CZ Group SE (the “Consolidating Entity” or the “Company”) is a European company registered in the Commercial Register kept by the Municipal Court in Prague on 10 January 2013, with its registered office at náměstí Republiky 2090/3a Nové Město, 110 00 Prague 1, Czech Republic, corporate ID No. 291 51 961. The Company together with its subsidiaries, is one of the world’s leading manufacturers of firearms, tactical accessories and ammunition for military and law enforcement, personal defense, hunting, sport shooting and other commercial use. Its products are marketed and sold mainly under the Colt, CZ (Česká zbrojovka), Sellier & Bellot, Colt Canada, CZ-USA, Dan Wesson, Spuhr, swissAA and 4M Systems brands.

The following table shows individuals and legal entities with an equity interest greater than 10 percent:

Shareholder	Ownership percentage as at	
	30 Jun 2024	31 Dec 2023
Česká zbrojovka Partners SE	52.81 %	75.40%
CBC Europe S.à r.l.	26.76 %	-

Since 2017, the majority owner of the Company has been Česká zbrojovka Partners SE, based at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Czech Republic.

The Consolidating Entity and consolidated entities are part of a larger consolidation group of the ultimate parent company European Holding Company, SE, based at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Czech Republic. The ultimate owner of the Company is Mr. René Holeček.

Members of the Board of Directors and Supervisory Board as at the balance sheet date:

Board of Directors

Chair:	Jan Drahota
Vice-chair:	Josef Adam
Member:	Jan Holeček
Member:	Dennis Veilleux
Member:	Jan Zajíc

Supervisory Board

Chair:	David Aguilar
Vice-chair:	René Holeček
Vice-chair:	Lubomír Kovařík
Member:	Daniel Birmann (from 27 May 2024)
Member:	Jana Růžičková
Member:	Vladimír Dlouhý

The consolidation group (the “Group”) comprises the Company and the consolidated entities of the Group (subsidiaries). The consolidation group includes the Company and entities controlled by the Company.

All amounts in these financial statements and the related notes are reported in thousands of Czech crowns (CZK ‘000), which is also the functional currency.

2. GROUP DESCRIPTION

Company name	Principal activity	Place of foundation and business operation	Consolidation method	Share in voting rights held by the Group		
				30 Jun 2024	31 Dec 2023	30 Jun 2023
Česká zbrojovka a.s.	Production, purchase and sale of firearms and ammunition	Uherský Brod, Czech Republic	Full	100%	100%	100%
Česká zbrojovka a.s. Niederlassung Deutschland	Production, purchase and sale of firearms and ammunition	Regensburg, Germany	Full	100%	100%	100%
Latin America Holding, a.s.	Holding company	Uherský Brod, Czech Republic	Full	100%	100%	100%
ZBROJOVKA BRNO, s.r.o.	Purchase and sale of firearms and ammunition	Brno, Czech Republic	Full	100%	100%	100%
Sellier & Bellot a.s.*	Production, and sale of ammunition	Vlašim, Czech Republic	Full	100%	–	–
Sellier & Bellot Trade a.s.*	Sale of ammunition	Vlašim, Czech Republic	Full	100%	–	–
CZ – Slovensko s.r.o.	Production, purchase and sale of firearms and ammunition	Bratislava, Slovakia	Full	100%	100%	100%
Colt CZ Group North America, Inc.	Holding company	Kansas City, USA	Full	100%	100%	100%
CZ-USA	Purchase and sale of firearms and ammunition	Kansas City, USA	Full	100%	100%	100%
Colt Holding Company LLC***	Production, purchase and sale of firearms and ammunition	West Hartford, Connecticut, USA	Full	–	–	100%
CDH II Holdco Inc***	Holding company	West Hartford, Connecticut, USA	Full	–	–	100%
New Colt Holding Corp.***	Holding company	West Hartford, Connecticut, USA	Full	–	–	100%
Colt's Manufacturing Company LLC	Production, purchase and sale of firearms and ammunition	West Hartford, Connecticut, USA	Full	100%	100%	100%
Manufacturing IP Holding Company LLC***	Holds, maintains, and licenses Colt USA trademarks	West Hartford, Connecticut, USA	Full	–	–	100%
Four Horses Apparel, Inc.	Purchase and sale of clothing and fashion accessories	West Hartford, Connecticut, USA	Full	100%	100%	100%
Colt Canada Corporation	Production, purchase and sale of firearms and ammunition	Kitchener, Ontario, Canada	Full	100%	100%	100%
Colt International Cooperatief U.A. ***	Holding company	Amsterdam, Netherlands	Full	–	–	100%
Colt CZ Defence Solutions, s.r.o.	Purchase and sale of firearms and ammunition	Uherský Brod, Czech Republic	Full	100%	100%	100%
EHC-4M, SE	Holding company	Prague, Czech Republic	Full	100%	100%	100%

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD FROM 1 JANUARY TO 30 JUNE 2024 PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION (unaudited)

Company name	Principal activity	Place of foundation and business operation	Consolidation method	Share in voting rights held by the Group		
				30 Jun 2024	31 Dec 2023	30 Jun 2023
4M SYSTEMS a.s.	Trade with military material	Prague, Czech Republic	Full	100%	100%	100%
Colt CZ Group International s.r.o.	Holding company	Prague, Czech Republic	Full	100%	100%	100%
Spuhr i Dalby AB	Manufacture and assembly of optics	Löddeköpinge, Sweden	Full	100%	100%	100%
CZG VIB s.r.o.	Holding company	Prague, Czech Republic	Full	100%	100%	100%
Vocatus investment a.s.	Holding company	Prague, Czech Republic	Full	100%	100%	–
Colt CZ Insurance Limited	Captive reinsurance company	Saint Peter Port, Guernsey	Full	100%	100%	–
swissAA Holding AG**	Holding company	Däniken, Switzerland	Full	100%	100%	100%
aaltech GmbH**	Purchase and sale of ammunition	Sollenau, Austria	Full	100%	100%	100%
laltech s.r.l.**	Purchase and sale of ammunition	Bad Krozingen, Germany	Full	100%	100%	100%
galtech AG**	Purchase and sale of ammunition	Bad Krozingen, Germany	Full	100%	100%	100%
saltech AG**	Production and sale of ammunition	Däniken, Switzerland	Full	100%	100%	100%
haltech kft.**	Production and sale of ammunition	Balatonfüzfő, Hungary	Full	100%	100%	100%
S-Pyrotech kft.**	Rental of property and buildings	Balatonfüzfő, Hungary	Full	100%	100%	100%
CZ BRASIL LTDA	Production, purchase and sale of firearms and ammunition	Brazil	Equity	49%	49%	49%
CARDAM s.r.o.	Research and development	Dolní Břežany, Czech Republic	Equity	33%	33%	33%
EG-CZ Academy	Academy	Quimper, France	Equity	20%	20%	20%
VIBROM spol.	Production	Třebechovice pod Orebem, Czech Republic	Equity	25%	25%	25%
Colt CZ Hungary Zrt.****	Production of firearms	Hungary	Equity	51%	51%	51%

* On 16 May 2024, the Company acquired Sellier & Bellot a.s. and Sellier & Bellot Trade a.s.

** On 28 June 2023, the Company acquired the swissAA Holding AG group.

*** A restructuring within the Colt Group took place during 2023. The assets and liabilities of the designated companies were transferred to other companies within the Colt Group.

**** The Group holds 51% equity interest and 50% non-controlling interest in Colt CZ Hungary Zrt.

Česká zbrojovka a.s., Sellier & Bellot a.s. and the companies of the Colt Group are the most significant entities in the Group. In the text below, the term 'Group' refers to the consolidation group.

3. SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

The financial situation and financial performance of the Group were affected by the following events and transactions on a one-off basis:

On 29 January 2024, the Group provided a loan in the amount of CZK 18,735 thousand to the associate company Colt CZ Hungary Zrt.

On 26 February 2024, the General Meeting of the Company decided to increase the Company's share capital by a maximum of CZK 1,500 thousand through the issue of book-entry shares in the maximum amount of 15,000,000 units. The newly issued shares will be offered for subscription to CBC Europe S.à r.l. in connection with the acquisition of a 100% share in Sellier & Bellot a.s.

During the first quarter of 2024, the Group sold Other financial assets representing the Group's short-term investment in listed shares. The Group recognized a profit of CZK 113,402 thousand on these sales.

On 18 April 2024, the Company's Board of Directors approved an increase in the volume of the existing COLTCZ VAR/30 bond issue in the amount of CZK 1,071,000 thousand. The increase in the volume of the existing bond issue is in accordance with the prospectus issued on 18 May 2023, which allows for an increase in the volume of the bond issue up to a maximum of CZK 3,000,000 thousand.

On 17 May 2024, the Company exercised the option to increase the volume of the existing bonds and issued CZK 276,000 thousand of these bonds by 30 June.

In connection with the acquisition of 100% share in Sellier & Bellot a.s., the Group entered into a loan agreement on 7 May 2024. The Group can draw a loan of up to EUR 485 million. The loan was drawn on 16 May 2024. At the same time, the short-term loan provided by Komerční banka a.s. in the amount of EUR 91 million (CZK 2,255,639 thousand) was repaid.

On 16 May 2024, the acquisition of Sellier & Bellot a.s. was finalized and the Group became a 100% owner of this company. The Group paid the remaining part of the purchase price of EUR 230 million, including a share-based payment of USD 353 million, which represents 13,476,440 shares. These shares were issued on 16 May 2024, increasing the Group's registered capital by CZK 1,348 thousand. The issue price was set at CZK 595.8 per share.

As a result of this issue, the stake held by the majority shareholder Česká zbrojovka Partners SE changed to 54.5%. CBC Europe S.à r.l. holds 27.7% and the remaining 17.8% represents free float.

On 26 June 2024, was increased Company's share capital by CZK 173,510 by issue of 1,735,100 new book-entry shares. The share capital was increased in connection with the performance of the Company's share option plan. The issue price was set at CZK 0.1 per share.

As a result of the capital increase, the free float has increased to 20.4%. The stake held by the majority shareholder Česká zbrojovka Partners SE equals to 52.8% and the stake held by CBC Europe S.à r.l. to 26.8% after the new share issuance.

4. BASIC PRINCIPLES FOR PREPARATION OF THE INTERIM REPORT

These condensed consolidated interim financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed interim consolidated financial statements do not include all notes that are normally included in the annual financial statements. Accordingly, the condensed interim consolidated financial statements must be read together with the consolidated financial statements for the year ended 31 December 2023, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The condensed interim consolidated financial statements have not been reviewed by an auditor in accordance with applicable regulations.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that were utilized are consistent with those of the most recent annual financial statements. A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

6. ESTIMATES AND SOURCES OF UNCERTAINTY

During preparation of the condensed interim consolidated financial statements, the Group’s management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. The actual results may differ from these estimates. Apart from this, the Group’s future business may be adversely

impacted by factors beyond the Group’s control. In the preparation of these condensed interim consolidated financial statements, the significant judgements made by management and the key sources of uncertainty in making estimates were the same as those used in the consolidated financial statements for the year ended 31 December 2023.

7. FINANCIAL RISK MANAGEMENT

The Group’s activities give rise to many financial risks: market risk, credit risk and liquidity risk. The condensed interim consolidated financial statements do not include all financial information on risk management and other information required in annual consolidated financial statements. They should be assessed together with the annual consolidated financial statements of the Group as at 31 December 2023. No changes in the rules and policies of managing these risks have been made since the end of 2023.

The Group uses financial derivatives to manage financial risks. The method of measurement of financial derivatives and information on the fair value of financial assets and liabilities as at 30 June 2024 and 31 December 2023 are disclosed in note 19 Financial assets and liabilities at fair value.

8. ACQUISITION OF SELLIER & BELLOT

On 18 December 2023, the Company entered into an agreement with CBC Europe S.à r.l. („CBC“) to purchase a 100% share in Sellier & Bellot a.s.

Sellier & Bellot, founded in 1825, is one of the world's oldest companies in the ammunition and defense industry and ranks among the most important industrial companies in the Czech Republic. The company's production portfolio includes a wide range of hunting and sporting ammunition.

Sellier & Bellot is also a major supplier of ammunition to the military and law enforcement customers around the world. The advanced technology in all stages of production guarantees products of the highest quality. Investments in R&D enable the company to introduce new products every year. Recent successes include lead-free bullets for hunting and law enforcement applications, as well as proprietary products such as Nontox primer compound and infrared tracer bullets. The company has approximately 1,600 employees and operates a production facility in Vlašim, Czech Republic.

On 16 May 2024, the Group acquired 100% of shares of Sellier & Bellot a.s. for the combination of the cash consideration in the amount of USD 350 million and a new issue of 13,476,440 of common shares of the Company. Total acquisition price equals to USD 703 million in total, excluding net debt of Sellier & Bellot a.s. The selling company CBC Europe S.à r.l. (“CBC”) therefore gained a 27.71% stake in the share capital of the Company.

New shares were issued on 16 May 2024, and Sellier & Bellot a.s. entered in the Group's consolidation also as of 16 May 2024.

Revenues from the sale of own products, goods and services of Sellier & Bellot a.s. from the date of acquisition to 30 June 2024 amount to CZK 1,015,044 thousand. Pro-forma revenues from the sale of own products, goods and services for the six-month period ended 30 June 2024 amount to CZK 3,841,843 thousand.

Profit for the period of Sellier & Bellot a.s. from the date of acquisition to 30 June 2024 amounts to CZK 253,245 thousand. Pro-forma profit for the six-month period ended 30 June 2024 amounts to CZK 806,276 thousand.

8.1. Consideration transferred

	16 May 2024 CZK '000
Monetary settlement – payment of the first part of the purchase price on 18 December 2023	2,690,040
Monetary settlement – payment of the remaining part of the purchase price on 16 May 2024	5,231,350
Issued shares (13,476,440 ordinary shares of Colt CZ Group SE)	8,032,049
Takeover of CBC's liability to Sellier & Bellot a.s.	1,858,147
Total consideration transferred	17,811,586

8.2. Assets acquired and liabilities assumed at the acquisition date

	16 May 2024 CZK '000
Intangible assets	7,711,735
Property, plant, and equipment	5,140,153
Financial derivatives – non-current assets	219,628
Inventories	2,382,390
Trade and other receivables	1,173,969
Provided loans	1,858,147
Financial derivatives – current assets	3,576
Other receivables	46,455
Cash and cash equivalents	443,521
Long-term loans and borrowings	(2,855,983)
Financial derivatives – non-current liabilities	(7,315)
Long-term lease liabilities	(8,295)
Other non-current payables	(14)
Long-term provisions	(13,520)
Deferred tax liability	(2,499,367)
Employee benefit liabilities	(11,587)

	16 May 2024 CZK '000
Short-term loans and borrowings	(543,504)
Financial derivatives – current liabilities	(1,154)
Short-term lease liabilities	(843)
Trade and other payables	(333,009)
Other current liabilities	(271,533)
Tax liabilities	(191,864)
Fair value of acquired identifiable net assets	12,241,586

8.3. Goodwill

	16 May 2024 CZK '000
Consideration transferred	17,811,586
Fair value of acquired identifiable net assets	12,241,586
Goodwill	5,570,000

Goodwill primarily includes expected synergies arising from the integration of Sellier & Bellot a.s. into the existing activities of the Group. It is not expected that reported goodwill will be tax effective.

As at the date of these financial statements, the acquisition accounting has not been completed. The fair values presented for the identifiable net assets acquired represent preliminary values and may differ from the final values.

9. INFORMATION ABOUT SEGMENTS AND REVENUES

The Group's operations are organized into two operating segments as at 30 June 2024 - the Firearms and Accessories segment and the Ammunition segment. The structure of the segment information corresponds to the structure of the Group's principal business activities and the structure of the financial ratios and information that are regularly monitored and evaluated by the Group's management.

As at 30 June 2023, the production, purchase and sale of firearms and accessories represented the Group's primary business activity. The Group's other activities at 30 June 2023 were considered insignificant as none of the Group's other activities accounted for more than 10% of revenue from sales to external customers.

Firearms and accessories segment

The firearms and accessories segment includes the design, production, assembly and sale of firearms, tactical accessories and optical mounting solutions for the military and law enforcement, personal defense, hunting, sport shooting, and other commercial uses.

Ammunition segment

The ammunition segment consists of the design, production and sale of small-caliber ammunition, including pistol and rifle ammunition, together with shotgun shells for hunting, sport shooting, and military and law enforcement, as well as the production and sale of grenades and other military material. It also includes development and production of ammunition manufacturing machinery and tools.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD FROM 1 JANUARY TO 30 JUNE 2024 PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION (unaudited)

The tables below specifies operating segment information for the six-month period ended 30 June 2024 (in CZK '000)

2024	Firearms and accessories segment	Ammunition segment	Elimination of inter-segment transactions	Total
External revenues	7,856,235	1,833,780	–	9,690,015
Inter-segment revenues	10,193	6,305	(16,498)	–
Revenues from the sale of own products, goods and services	7,866,428	1,840,085	(16,498)	9,690,015
Other operating income	34,486	32,636	–	67,122
Change in inventories developed internally	211,447	5,714	–	217,161
Own work capitalized	108,706	298,155	–	406,861
Raw materials and consumables used	4,162,462	(1,297,402)	6,407	(5,453,456)
Services	(973,381)	(134,972)	10,091	(1,098,262)
Personnel costs	(1,930,487)	(295,807)	–	(2,226,294)
Depreciation and amortization	(328,248)	(232,573)	–	(560,821)
Other operating expenses	(158,184)	(6,644)	–	(164,827)
Allowances	22,030	(755)	–	21,275
Operating profit	690,335	208,437	–	898,774
Interest income	425,054	17,022	(24,062)	418,014
Interest expense	(564,636)	(17,848)	24,062	(558,422)
Other financial income	73,299	12,197	–	85,496

2024	Firearms and accessories segment	Ammunition segment	Elimination of inter-segment transactions	Total
Other financial expenses	(38,610)	(25,227)	–	(63,837)
Gains or losses from derivative transactions	(26,624)	40,478	–	13,854
Share in the profit of associates after tax	909	–	–	909
Profit before tax	559,728	235,059	–	794,787
Income tax	(145,404)	(39,766)	–	(185,170)
Profit for the period	414,323	195,293	–	609,617

30.6.2024	Firearms and accessories segment	Ammunition segment	Elimination of inter-segment transactions	Total
Total segment assets	27,274,944	21,722,388	(2,284,918)	46,712,414
Acquisition of tangible and intangible fixed assets	114,281	268,221	–	382,502
Companies accounted for using the equity method	45,480	–	–	45,480
Total segment liabilities	(24,486,454)	(7,907,190)	2,284,918	(30,108,726)

9.1. Geographical breakdowns

The table below specifies revenues from the sale of own products, goods and services by the most significant regions (in CZK '000)

Revenues from sales to external customers		
	30 Jun 2024	30 Jun 2023
Czech Republic (home country)	2,235,313	1,371,873
United States	4,191,632	3,218,812
Canada	488,724	970,866
Europe (apart from the Czech Republic)	1,949,693	733,928
Africa	55,992	89,642
Asia	359,848	272,251
Latin America	392,844	116,179
Australia & Oceania	15,969	86,685
Total	9,690,015	6,860,236

The Group has production facilities in the Czech Republic, USA, Canada, Sweden, Switzerland and Hungary.

Net book value of property, plant and equipment		
	30 Jun 2024	31 Dec 2023
Czech Republic (home country)	7,394,082	2,258,750
United States	692,645	644,651
Canada	213,961	205,190
Sweden	34,144	39,846
Switzerland	1,035,979	1,036,484
Hungary	93,432	96,528
Total	9,464,243	4,281,449

Net book value of intangible assets		
	30 Jun 2024	31 Dec 2023
Czech Republic (home country)	8,162,657	587,763
United States	1,969,741	1,898,353
Canada	521,395	532,597
Sweden	311,141	329,194
Switzerland	51,743	65,974
Total	11,016,408	3,413,881

Net book value of goodwill		
	30 Jun 2024	31 Dec 2023
Czech Republic (home country)	5,850,688	280,686
United States	2,064,482	2,008,590
Canada	196,935	191,603
Sweden	65,824	66,601
Total	8,177,929	2,547,480

Goodwill represents the expected synergies arising from the integration of the companies' activities within the existing Group.

10. PROFIT AND LOSS INFORMATION

10.1. Financial result

- ▶ An interest expense of CZK 558,422 thousand (CZK 459,812 thousand in the six-month period ended 30 June 2023) is mainly represented by interest incurred on issued bonds and bank loans of CZK 490,464 thousand (CZK 335,794 thousand in the six-month period ended 30 June 2023).

Information on the issued bonds and bank loans is disclosed in Note 17. An interest expense of CZK 67,958 thousand (CZK 123,349 thousand in the six-month period ended 30 June 2023) represents interest from cross currency interest rate swaps.

These swaps also generate interest income in the amount of CZK 332,899 thousand (CZK 497,500 thousand in the six-month period ended 30 June 2023) presented under

Interest income position. The remaining interest income in the amount of CZK 85,115 thousand (CZK 81,005 thousand in the six-month period ended 30 June 2023) mainly represents interest from deposits.

- ▶ Other financial income in the amount of CZK 85,496 thousand (CZK 132,098 thousand in the six-month period ended 30 June 2023) mainly represents revaluation of Other financial assets as at the date of sale of CZK 82,422 thousand (CZK 101,916 thousand in the six-month period ended 30 June 2023) and related foreign exchange gain of CZK 30,980 thousand (loss of CZK 29,258 thousand in the six-month period ended 30 June 2023). The remaining foreign exchange loss amounts to CZK 27,906 thousand (gain of CZK 59,440 thousand in the six-month period ended 30 June 2023). The net foreign exchange gain amounts to CZK 3,074 thousand (gain of CZK 30,182 thousand in the six-month period ended 30 June 2023).
- ▶ Other financial expenses of CZK 63,837 thousand (CZK 68,343 thousand for the period from 1 January to 30 June 2023) mainly represent bank fees. Other financial expenses in the six-month period ended 30 June 2023 represented mainly bank fees and remeasurement of the contingent consideration arising from the Colt acquisition of CZK 26,818 thousand.
- ▶ Gains or losses from derivative transactions – The Group manages its exposure to currency and interest rate risk by using derivative instruments. As not all of the derivatives are accounted for as hedging instruments, the amount of the financial result was impacted by a change in fair value of open financial derivatives held for trading. In the six-month period ended 30 June 2024, the Group recognized gain from derivative instruments of CZK 13,854 thousand (gain CZK 243,241 thousand in the six-month period ended 30 June 2023).

In other comprehensive income for the six-month period ended 30 June 2024, the Group recognized a loss of CZK 179,440 thousand from the remeasurement of financial derivatives classified as hedging instruments (loss of CZK 5,520 thousand in the six-month period ended 30 June 2023).

10.2. Income tax

Reported Income tax expense is based on an estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate for the period from 1 January to 30 June 2024 is 23.3% (22.6% for the period from 1 January to 30 June 2023).

The amount of the effective tax rate is affected by the level of tax rates in individual countries, where the Group operates (Czech Republic – 21%, USA – 26-28%, Canada – 25%, Sweden – 20.6%, Switzerland – 16%, Hungary – 9%).

11. INTANGIBLE ASSETS

Acquisition costs

The following tables summarize changes in intangible assets from 1 January to 30 June 2024 (in CZK '000):

GROUP	Opening balance	Business combination – balance at the date of entry into consolidation	Additions	Disposals	Transfers	Impact of FX fluctuations	Closing balance
Software	243,729	5,022	16,018	–	2,308	235	267,312
Intangible assets under construction or being acquired	101,297	1,745	61,938	–	(5,730)	236	159,486
Other intangible assets	1,050,677	–	–	–	–	35,366	1,086,043
Trademarks and logos	1,629,235	2,165,000	–	–	–	58,027	3,852,262
Capitalized development	575,790	–	3,003	–	3,422	–	582,215
Concessions, license rights and other intellectual property rights	343,036	968	4	–	–	240	344,248
Contractual customer relations	1,747,178	5,539,000	–	–	–	18,611	7,304,789
Total	5,690,942	7,711,735	80,963	–	–	112,715	13,596,355

Accumulated amortization and carrying value

GROUP	Opening balance	Amortization	Disposals	Changes in allowances	Impact of FX rate fluctuations	Closing balance	Carrying amount
Software	(196,147)	(8,538)	–	–	(555)	(205,240)	62,072
Intangible assets under construction or being acquired	–	–	–	–	–	–	159,486
Other intangible assets	(405,187)	(46,954)	–	–	(11,970)	(464,111)	621,932
Trademarks and logos	–	–	–	–	–	–	3,852,262
Capitalized development	(248,890)	(13,546)	–	–	(856)	(263,292)	318,923
Concessions, license rights and other intellectual property rights	(227,550)	(12,473)	–	–	(2,857)	(242,880)	101,368
Contractual customer relations	(1,199,287)	(194,797)	–	–	(10,340)	(1,404,424)	5,900,365
Total	(2,277,061)	(276,308)	–	–	(26,578)	(2,579,947)	11,016,408

The Group's management has considered and assessed all assumptions used in determining the value-in-use calculations of the recoverable amount of the cash generating unit to which goodwill and intangible assets with indefinite useful lives belong. The Group's management has concluded its assumptions as disclosed in the most recent annual financial statements are still appropriate and that there is no indication of impairment.

12. PROPERTY, PLANT AND EQUIPMENT

Acquisition costs

The following tables summarize the changes in property, plant, and equipment from 1 January to 30 June 2024 (in CZK '000):

GROUP	Opening balance	Business combination – balance at the date of entry into consolidation	Additions	Disposals	Transfers	Impact of FX fluctuations	Closing balance
Buildings	2,025,596	846,423	9,684	(12,543)	60,631	(363)	2,929,428
Machinery, instruments and equipment	4,268,454	2,776,418	129,397	(57,484)	1,801	(2,000)	7,116,586
Other non-current tangible assets	71,548	107	2,241	–	20,219	1,944	96,058
Other non-current tangible assets under construction	325,274	63,366	165,550	(10,364)	(61,955)	9,556	491,427
Prepayments made for non-current tangible assets	306,178	66,609	47,368	(69)	(20,696)	(6,517)	392,873
Lands	430,071	1,387,230	–	–	–	6,502	1,823,803
Total	7,427,121	5,140,153	354,240	(80,460)	–	9,122	12,850,175

Machinery, instruments and equipment and Buildings as at 30 June 2024 include right of use assets arising from lease contracts of CZK 81,822 thousand (CZK 85,765 thousand as at 31 December 2023).

Additions to the rights of use arising from lease contracts amounted to CZK 1,943 thousand in 2024 (CZK 1,161 thousand in the six-month period ended 30 June 2023) and an increase by the balance as at the date of entry into consolidation as a result of the acquisition of Sellier & Bellot a.s. in the amount

Accumulated depreciation and carrying value

GROUP	Opening balance	Depreciation	Disposals	Changes in allowances	Impact of FX rate fluctuations	Closing balance	Carrying amount
Buildings	(733,605)	(61,599)	10,541	–	(2,224)	(786,887)	2,142,541
Machinery, instruments, and equipment	(2,370,591)	(203,916)	42,433	–	(5,353)	(2,537,427)	4,579,159
Other non-current tangible assets	(31,227)	(18,998)	–	–	(949)	(51,174)	44,884
Other non-current tangible assets under construction	(9,365)	–	–	199	–	(9,165)	482,262
Prepayments made for non-current tangible assets	(884)	–	–	(395)	–	(1,279)	391,594
Lands	–	–	–	–	–	–	1,823,803
Total	(3,145,672)	(284,513)	52,974	(196)	(8,526)	(3,385,932)	9,464,243

of CZK 9,138 thousand. These primarily include lease contracts for warehouses and office space, as well as cars and technical office equipment.

Depreciation for the six-month period ended 30 June 2024 includes depreciation of right of use assets of CZK 13,492 thousand (CZK 12,012 thousand in the six-month period ended 30 June 2023).

13. INVENTORIES

The structure of inventories as at 30 June 2024 and 31 December 2023 is as follows (in CZK '000):

	30 Jun 2024	31 Dec 2023
Material	2,701,708	2,036,572
Work-in-progress and semi-finished products	2,147,141	1,910,278
Finished products	2,635,386	326,830
Goods	296,242	969,183
Prepayments made for inventories	109,340	55,214
Total	7,889,817	5,298,077

The valuation of redundant, obsolete, and slow-moving inventories is decreased to the selling price net of the costs of sale. As at 30 June 2024, allowances for inventories of CZK 493,104 thousand (CZK 513,540 thousand as at 31 December 2023) were included in the statement of financial position. In the six-month period ended 30 June 2024, gain from impairment of inventories change of CZK 28,534 thousand was recorded in the profit and loss (loss of CZK 51,087 thousand in the six-month period ended 30 June 2023).

14. CURRENT AND NON-CURRENT PROVISIONS

The table below shows current and non-current provisions as at 30 June 2024 and 31 December 2023 (CZK '000):

Provisions	Balance at 30 June 2024	Balance at 31 Dec 2023
Warranty repairs	23,674	23,750
Provision for legal claims	12,597	–
Other current provisions	13,307	6,334
Total current provisions	49,578	30,084
Warranty repairs	40,905	41,759
Share-based payments	57,900	30,556
Other non-current provisions	17,656	3,873
Total non-current provisions	116,461	76,188
Total provisions	166,039	106,272

15. SHARE-BASED PAYMENT ARRANGEMENTS

The Group provides a stock option plan (the "Share Program") to its employees. The Share Program entitles the Group's key executives and employees (option holders) to purchase the Company's shares. The plan is currently only available to executives and senior employees.

Shares designated for the Share Program will be newly issued. The maximum number of shares issued will be 3,373 thousand.

The following table below shows the number and weighted average realisable price of share options under the Share Program.

Total options	Number of options	Weighted average exercise price (in CZK)
Not settled at 30 June 2024	2,714,955	0,10

15.2. Expenses recognized in the statement of profit and loss

In connection with the Share Program, the Group recognized expenses of CZK 354,840 thousand in Personal expenses (CZK 151,029 thousand for the period from 1 January to 30 June 2023). Of this amount, CZK 234,532 thousand represents personnel expenses related to key management personnel (CZK 65,107 thousand for the period from 1 January to 30 June 2023).

In addition, the Group has created a provision for social and health insurance recognized under Other operating expenses in the amount of CZK 27,344 thousand (CZK 10,150 thousand for the period from 1 January to 30 June 2023). In connection with this provision, the Group recognized deferred tax in the amount of CZK 5,778 thousand (CZK 1,969 thousand for the period from 1 January to 30 June 2023).

15.3. Items recognized in the statement of financial position

The fair value of 2,714,955 stock options allocated to own employees of CZK 846,268 thousand is recognised in Accumulated profits (CZK 491,428 thousand as at 31 December 2023).

The fair value of employee stock options was determined using the Black Scholes measurement model. The options are subject to the employment term/function term and non-market performance condition which were not considered in the fair value determination.

The related social security and health insurance liabilities as at 30 June 2024 of CZK 57,900 thousand are recognised in non-current provisions (CZK 30,566 thousand as at 31 December 2023). The Group also recognised deferred tax in respect of these liabilities in the amount of CZK 10,106 thousand (CZK 4,328 thousand as at 31 December 2023).

16. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities (CZK '000):

	30 Jun 2024	31 Dec 2023
Net employee benefit liability	131,985	133,047
Liability for medical (healthcare) benefits	146,888	137,501
Total net employee benefit liability	278,873	270,548
Non-current net employee benefit liabilities	260,845	255,721
Current net employee benefit liabilities	18,028	14,827
Total net employee benefit liability	278,873	270,548

17. BONDS, BANK LOANS AND BORROWINGS

	Maturity date	Interest rate %	Aggregate limit as at 30 Jun 2024 (CZK '000)	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
Issued bonds	23 Mar 2027	6M Pribor + margin % p.a.	5,000,000	5,000,000	5,000,000
Issued bonds – unpaid interest				96,505	120,811
Issued bonds – issue cost				(14,272)	(16,882)
Issued bonds	27 Jan 2029	6M Pribor + margin % p.a.	1,998,000	1,998,000	1,998,000

	Maturity date	Interest rate %	Aggregate limit as at 30 Jun 2024 (CZK '000)	30 Jun 2024 CZK '000	31 Dec 2023 CZK '000
Issued bonds – unpaid interest				65,887	74,361
Issued bonds – issue cost				(8,837)	(9,795)
Issued bonds	18 May 2030	6M Pribor + margin % p.a.	2,205,000	2,205,000	1,929,000
Issued bonds – unpaid interest				17,069	20,448
Issued bonds – issue cost				(9,441)	(10,242)
Komerční banka a.s.	10 October 2024	1M Pribor + margin % p.a.	2,256,548	–	2,256,548
Komerční banka a.s. – unpaid interest				–	1,233
Syndicated loan	7 May 2029	3M Euribor + margin % p.a.	11,008,547	11,008,547	–
Syndicated loan – unpaid interest				65,010	–
Syndicated loan – issue cost				(109,924)	–
Other				242,711	250,801
Total				20,566,255	11,614,284
Repayments in the following year				1,614,134	2,573,744
Repayments in future years				18,942,121	9,040,540

18. EQUITY-ACCOUNTED SECURITIES AND INVESTMENTS

The carrying amount of equity-accounted investments changed as follows in the six-month period ended 30 June 2024 (in CZK '000):

	30 Jun 2024 CZK '000
Beginning of the period	40,795
Colt CZ Hungary Zrt. Increase in investment	3,776
Share in the profit of associates after tax	909
End of the period	45,480

19. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

This note provides an update on the judgements and estimates made by the Group in determining the fair value of financial instruments since the last annual financial statements.

As at 30 June 2024, assets and liabilities representing financial derivatives, share-based payment arrangements and liabilities related to contingent consideration from the Spuhr i Dalby AB acquisition in 2022 are measured at fair value.

19.2. Financial derivatives

The fair value of interest rate swaps, commodity swaps, currency forwards and swaps is based on the present value of future cash flows based on market data as yield curves of referential interest rate and commodity swaps, spot foreign exchange rates and forward points. For currency options, the respective option model is used (primarily the Black-Scholes model or its modifications), with the specific input data including the volatility of currency exchange rates reflecting specific realization rates of individual transactions ("volatility smile"). The fair value of cross currency interest rate swaps is determined as the present value of future cash flows. The estimate of future variable cash flows is based on quoted swap rates and interbank deposit rates. The estimated future cash flows are discounted using a revenue curve constructed from the above sources.

The fair values of derivative transactions are classified as level 2, whereby the market data used in models originate from active markets.

The following table provides an overview of nominal values and positive or negative fair values of open trading derivatives as at 30 June 2024 and 31 December 2023 (CZK '000):

CZK '000	30 Jun 2024 Fair value			31 Dec 2023 Fair value		
	Nominal	Positive	Negative	Nominal	Positive	Negative
Put Option	–	–	–	49,450	123	–
Call Option	–	–	–	49,450	–	3
Forwards	–	–	–	1,983,865	129,224	2,997
Currency swap	1,702,215	66,507	6,506	1,196,464	7,567	6,420
Interest rate swap	663,950	15,863	438	–	–	–
Total	2,366,165	82,370	6,944	3,279,229	136,914	9,420

The following table provides an overview of nominal values and positive or negative fair values of open hedging derivatives as at 30 June 2024 and 31 December 2023 (CZK '000):

CZK '000	30 Jun 2024 Fair value			31 Dec 2023 Fair value		
	Nominal	Positive	Negative	Nominal	Positive	Negative
Interest rate swap	9,081,400	134,247	71,416	2,429,000	58,018	106,927
Interest rate option - Cap	2,766,577	66,062	-	-	-	-
Interest rate option - Floor	1,388,326	-	2,449	-	-	-
Put Option	552,000	18,968	-	586,474	32,163	-
Call Option	552,000	-	15,542	586,474	-	13,080
Currency swap	4,776,128	329,016	24,411	5,086,546	378,265	2,622
Forwards	4,552,655	118,068	41,622	4,018,351	195,390	10,979
Cross currency interest rate swap – USD	3,212,700	35,226	-	3,212,700	186,216	-
Cross currency interest rate swap – USD	724,200	-	84,955	1,500,000	175,249	-
Cross currency interest rate swap – CHF	1,500,000	178,155	-	724,200	-	112,179
Commodity swaps - Copper	1,320,396	86,711	22,331	-	-	-
Commodity swaps - Zinc	187,577	14,562	-	-	-	-
Commodity swaps - Lead	248,285	10,424	-	-	-	-
Total	30,862,244	991,439	262,726	18,143,745	1,025,301	245,787

19.3. Financial liabilities at fair value through profit or loss

CZK '000	30 Jun 2024 Fair value			31 Dec 2023 Fair value		
	Nominal	Positive	Negative	Nominal	Positive	Negative
Other financial assets	-	-	-	863,502	908,580	-
Contingent consideration from the Spuhr acquisition	44,580	-	46,120	44,580	-	44,580
	44,580	-	46,120	908,082	908,580	44,580

The fair value of the contingent consideration from the Spuhr acquisition is based on the current estimate of Spuhr's gross profit for the periods defined in the Sale and purchase agreement. The change in fair value of the liability in the total amount CZK 1,540 thousand represents a foreign exchange loss and is recognized in Other finance income on a net basis.

The remaining financial assets and liabilities are measured at amortized cost. The fair value of all these instruments does not significantly differ from their carrying amount, as the interest rate is close to current market rates, or they are short-term.

20. PROFIT DISTRIBUTION

On 28 June 2024, the Company decided to pay a dividend of CZK 1,511,069 thousand (30 CZK per share). Part of the dividend will be paid in the form of newly issued shares in the number of 2,194,078 units with a total value of CZK 1,250,624 thousand. The newly issued shares will be issued during August 2024. Unpaid liability to shareholders including withholding tax in the total amount of CZK 1,511,069 thousand is presented under Trade and other payables.

21. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include subsidiaries and associated companies as well as key management personnel and their family members. Transactions that the Group ensures for related parties primarily include trade receivables and provided loans, and the costs of transactions with related parties include remuneration to members of the Supervisory Board and Board of Directors, together with trade payables. Transactions with related parties are part of regular activity and are implemented at arm's length.

During the six-month period ended 30 June 2024, the Group conducted the following transactions with related parties.

Key management personnel

During the six-month period ended 30 June 2024, key management personnel included all members of the Board of Directors and Supervisory Board. Short-term benefits provided to key management personnel (including gross remuneration, annual bonuses, health and social insurance and additional pension insurance) amounted to CZK 27,197 thousand.

The Company also provided its key management personnel with the Share Program described in Note 15. The Company provided no other benefits (e.g. monetary or non-monetary benefits related to a member's termination of office from a body) to its key management personnel.

The Group records the following outstanding balances with related parties as at 30 June 2024 and the following transactions with related parties in the six-month period ended 30 June 2024 (in CZK '000):

Entity	Relationship	Liabilities as at 30 Jun 2024	Purchases from 1 Jan to 30 Jun 2024	Receivables as at 30 Jun 2024	Income from 1 Jan to 30 Jun 2024
Keriani, a.s.	Associate of parent company	572	2,863	2,029	–
CZ-SKD Solutions a.s.	Company in the ultimate owner's group	1,954	8,449	–	425
CZ-AUTO SYSTEMS a.s.	Company in the ultimate owner's group	11	664	13,713	25,097
ITeuro, a.s.	Company in the ultimate owner's group	244	3,173	–	–
New Lachaussée S.A.	Company in the ultimate owner's group	4,078	859	–	–
Fritz Werner Industrie-Ausrüstungen GmbH	Company in the ultimate owner's group	260	625	25,348	–
Magtech Ammunition Company, Inc. - USA	Company in the ultimate owner's group	90	90	352,234	198,398
Companhia Brasileira de Cartuchos S.A.	Company in the ultimate owner's group	–	7	3,385	2,759
Metallwerk Elisenhütte GmbH	Company in the ultimate owner's group	–	154	19,951	22,311

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD FROM 1 JANUARY TO 30 JUNE 2024 PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION (unaudited)

Entity	Relationship	Liabilities as at 30 Jun 2024	Purchases from 1 Jan to 30 Jun 2024	Receivables as at 30 Jun 2024	Income from 1 Jan to 30 Jun 2024
Taurus Armas S.A.	Company in the ultimate owner's group	–	–	2,717	–
CBC AMMO LLC	Company in the ultimate owner's group	–	–	–	12,673
CBC Global Ammunition LLC	Company in the ultimate owner's group	–	–	–	7,086
CBC Europe S.à r.l.	Company in the ultimate owner's group	–	495	–	–
VIBROM spol. s r.o.	associated company	31,055	74,375	9,149	1,456
CARDAM s.r.o.	associated company	348	1,751	–	288
CZ BRAZIL, LTDA	associated company	–	–	1,051	–
Colt CZ Hungary zrt.	associated company	295	732	26,559	11,926
EG-CZ Academy	associated company	248	375	–	–
Total		39,156	94,612	456,137	282,419

The Group records the following outstanding balances with related parties as at 31 December 2023 and the following transactions with related parties in the six-month period ended 30 June 2023 (in CZK '000):

Entity	Relationship	Liabilities as at 31 Dec 2023	Purchases from 1 Jan to 30 Jun 2023	Receivables as at 31 Dec 2023	Income from 1 Jan to 30 Jun 2023
Keriani, a.s.	Associate of parent company	585	2,919	–	–
CZ-SKD Solutions a.s.	Subsidiary of parent company	286	3,351	–	380
CZ-AUTO SYSTEMS a.s.	Subsidiary of parent company	23	3,412	13,351	39,304
B:TECH, a.s.	Company in the ultimate owner's group	1,773	261	187	–
M&H Management a.s.	Company in the ultimate owner's group	–	–	–	43
ITeuro, a.s.	Company in the ultimate owner's group	1,123	2,175	1,297	–
VIBROM spol. s r.o.	associated company	20,102	70,517	9,022	986
CARDAM s.r.o.	associated company	1,067	2,175	–	235
CZ BRAZIL, LTDA	associated company	–	–	1,141	–
Colt CZ Hungary Zrt.	associated company	4,738	–	2,206	–
EG-CZ Academy	associated company	62	355	–	–
Total		29,759	85,165	27,204	40,948

22. NET EARNINGS PER SHARE

Basic and diluted earnings from continued operations per share were determined as follows:

	30 Jun 2024	30 Jun 2023
Numerator (CZK '000)		
Profit after tax attributable to the owner of the parent company	609,618	1,046,155
Denominator (average number of shares in CZK '000)		
Basic	40,976	34 631
Diluted	41,341	35 053
Net earnings per share (CZK/share) attributable to the owner of the parent company		
Basic	15	30
Diluted	15	30

The diluted average number of shares of 41,341 thousand is increased from the basic average number of shares of 40,976 thousand by the expected weighted average number of shares to be issued by the Company in 2024.

23. CONTINGENT LIABILITIES

As at 30 June 2024, the Group has issued no guarantees in respect to third-party liabilities.

As at 30 June 2024, the Group recorded no significant legal disputes where the Group acts as a defendant; it also did not record any investments or environmental or other off-balance sheet commitments.

The Group's management regularly monitors and evaluates the development of individual legal claims and litigations. The Group's management is currently not aware of the existence of potential losses that may have a significant unfavourable impact on the Group's results of operation and its cash flows.

As at 30 June 2024, the Group records environmental liabilities of CZK 8,583 thousand to which a full provision was established. No other environmental liabilities are recorded.

24. SUBSEQUENT EVENTS

In June 2024, two subsidiaries of Colt CZ Group SE signed contracts with the “Ukrainian Defense Industry” Ukroboronprom as a part of the Czech-Ukrainian intergovernmental consultations. Sellier & Bellot and Ukroboronprom agreed to cooperate in the production of multiple types of small caliber ammunition in Ukraine. Česká zbrojovka, following upon the Agreement of Intent with Ukroboronprom from February, signed a transfer of technology contract to produce the CZ BREN 2 rifles in Ukraine.

On 1 August 2024, Mr. Radek Musil was appointed as member of the Board of Directors. Radek Musil is the CEO of Sellier & Bellot a.s., a subsidiary of the Company. Mr. Musil will represent the ammunition segment, in which he has extensive experience and knowledge.

On 3 July 2024, 1,735,100 employee options were settled under the Share Program. The option holders exercised their right to purchase Company's shares at a nominal value of CZK 0.1. These shares were issued by the Company on 26 June 2024.

On 23 August 2024, the increase of Company's share capital by CZK 219,408 by issue of 2,194,078 new book-entry shares was registered. The issue price of one new share was set at CZK 570. The increase in the share capital was approved by the Company's Board of Directors on August 22, 2024, based on the authorization by the General meeting. The capital increase and subscription of new shares are related to the dividend payout in the form of new shares in the Company based on the prior choice made by the shareholders. The remainder of the dividend was paid to shareholders on 21 August 2024.

On 28 August 2024, the Company announced the intent to adopt decisions of the General Meeting of Colt CZ Group SE outside its meeting (decisions per rollam). The planned points of draft decisions per rollam include the authorization to the Board of Directors to increase the registered capital, decision on changes in the composition of the Supervisory Board and remuneration of its members and decision on the appointment of an auditor for the purpose of verifying the sustainability report.

On 29 August 2024, the Company issued bonds with a nominal value of CZK 192,000 thousand. The increase in the volume of the current issue is in accordance with the prospectus issued on 18 May 2023, which allows an increase in the volume of the current issue of COLTCZ VAR/30 bonds up to a maximum amount of CZK 3,000,000 thousand.

No other subsequent events have occurred since the balance sheet date that would have any material impact on the condensed consolidated interim financial statements as at 30 June 2024.